

## Bibliografie zu ausgewählten Analysen der Luxembourg Income Study (LIS): "Deutschland im internationalen Vergleich" ; (2. Auflage, Stand: 12/2003)

Springer, Antje; Papastefanou, Georgios

Veröffentlichungsversion / Published Version

Bibliographie / bibliography

Zur Verfügung gestellt in Kooperation mit / provided in cooperation with:

GESIS - Leibniz-Institut für Sozialwissenschaften

### Empfohlene Zitierung / Suggested Citation:

Springer, A., & Papastefanou, G. (2004). *Bibliografie zu ausgewählten Analysen der Luxembourg Income Study (LIS): "Deutschland im internationalen Vergleich"* ; (2. Auflage, Stand: 12/2003). (ZUMA-Methodenbericht, 2004/04). Mannheim: Zentrum für Umfragen, Methoden und Analysen -ZUMA-. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-48503-2>

### Nutzungsbedingungen:

Dieser Text wird unter einer Deposit-Lizenz (Keine Weiterverbreitung - keine Bearbeitung) zur Verfügung gestellt. Gewährt wird ein nicht exklusives, nicht übertragbares, persönliches und beschränktes Recht auf Nutzung dieses Dokuments. Dieses Dokument ist ausschließlich für den persönlichen, nicht-kommerziellen Gebrauch bestimmt. Auf sämtlichen Kopien dieses Dokuments müssen alle Urheberrechtshinweise und sonstigen Hinweise auf gesetzlichen Schutz beibehalten werden. Sie dürfen dieses Dokument nicht in irgendeiner Weise abändern, noch dürfen Sie dieses Dokument für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen.

Mit der Verwendung dieses Dokuments erkennen Sie die Nutzungsbedingungen an.

### Terms of use:

This document is made available under Deposit Licence (No Redistribution - no modifications). We grant a non-exclusive, non-transferable, individual and limited right to using this document. This document is solely intended for your personal, non-commercial use. All of the copies of this documents must retain all copyright information and other information regarding legal protection. You are not allowed to alter this document in any way, to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public.

By using this particular document, you accept the above-stated conditions of use.

*ZUMA Methodenbericht 2004/04*

**Bibliografie zu ausgewählten Analysen derLuxembourg Income Study  
(LIS)**

„Deutschland im internationalen Vergleich“  
(2. Auflage, Stand: 12/2003)

Antje Springer, Georgios Papastefanou  
März 2004  
ISSN 1610-9953

**ZUMA**

**B2,1**

Postfach 122155

68072 Mannheim

Telefon: (0621) 1246-278

Telefax: (0621) 1246-100

E-mail: [papastefanou@zuma-mannheim.de](mailto:papastefanou@zuma-mannheim.de)

## Bibliografie zu ausgewählten Analysen der Luxembourg Income Study (LIS)

(2. Auflage, Stand Dezember 2003)

Die vorliegende LIS-Bibliografie wurde von der ZUMA-Abteilung „Einkommen und Verbrauch“ erarbeitet und dokumentiert alle uns bekannten Arbeiten mit Daten der Luxembourg Income Study, die innerhalb des LIS-Projektes entstanden und Deutschland mit in die Analysen miteinbeziehen.

Neben den bibliografischen Angaben enthält die LIS-Bibliografie Abstracts der dokumentierten Arbeiten, beginnend mit den aktuellsten Beiträgen.

### Die Luxembourg Income Study (LIS) (Kurzbeschreibung)

Die LIS-Datenbank bietet eine Dateninfrastruktur zur Sekundäranalyse der Einkommenssituation von Haushalten im internationalen Vergleich.

Derzeit sind Daten von 28 Ländern aus vier Kontinenten verfügbar, die in insgesamt fünf Wellen seit 1980 erhoben wurden.

Die folgende Übersicht gibt weiterführende Informationen über die Datenerhebungen in den einzelnen Ländern.



### Data Information

### LIS Database List

Country	Code	Historical Databases	Wave I around 1980	Wave II around 1985	Wave III around 1990	Wave IV around 1995	Wave V around 2000
Australia	AS	.	1981	1985	1989	1994	.
Austria	AT	.	.	1987	.	1994**/1995/1997**	.
Belgium	BE	.	.	1985	1988/1992	1997	.
Canada	CN	1971/1975	1981	1987	1991	1994/1997/1998	.
Czech Republic	CZ	.	.	.	1992	1996	.
Denmark	DK	.	.	1987	1992	1995°/1997°	.
Estonia	EE	.	.	.	.	.	2000
Finland	FI	.	.	1987	1991	1995	2000
France	FR	.	1979/1981	1984A/1984B	1989	1994	.
Germany	GE	1973/1978	1981	1983/1984	1989	1994	2000**
Hungary	HU	.	.	.	1991	1994	1999
Ireland	IE	.	.	1987	.	1994/1995/1996	.
Israel	IS	.	1979	1986	1992	1997	.
Italy	IT	.	.	1986	1991	1995	2000*
Luxembourg	LX	.	.	1985	1991	1994/1997?	2000?
Mexico	MX	.	.	1984	1989/1992	1994/1996/1998	2000*

Netherlands	NL	.	.	1983/1986*/1987	1991	1994	.
Norway	NW	.	1979	1986	1991	1995	.
Poland	PL	.	.	1986	1992	1995	1999
R.O.C Taiwan	RC	.	1981	1986	1991	1995	2000*
Romania	RO	.	.	.	.	1995**/1997**	.
Russia	RL	.	.	.	1992	1995	2000**
Slovak Republic	SK	.	.	.	1992	1996	.
Slovenia	SI	.	.	.	.	1997	1999
Spain	SP	.	1980	.	1990	1995?	.
Sweden	SW	1967/1975	1981	1987	1992	1995	2000*
Switzerland	CH	.	1982	.	1992	.	2000*
United Kingdom	UK	1969/1974	1979	1986	1991	1995/1994	1999
United States	US	1969/1974	1979	1986	1991	1994/1997/ State file: 199567	2000

\*\* = Lissification in process

° = Currently being reviewed

\* = received; waiting to be lissified

? = under negotiation

Copyright (c) 2000 Luxembourg Income Study all rights reserved

Des Weiteren liegen für jeden Haushalt folgende Angaben vor:

- Household Level
  - Demografische Variablen
  - Ausgaben
  - Einnahmen
  - LIS Einkommensaggregate
- Person Level
  - Demografische Variablen
  - Einnahmen
- Child Level
  - Demografische Variablen

Weitere Einzelheiten können der nachfolgenden Tabelle entnommen werden.



## LIS Variable List

### Warning:

*All variables are not available for all countries and datasets. One should check the existence and the value labels of the variables in your programs (ex. by checking the frequencies and descriptives in the country documentation or by running the "Display Dictionary" command in SPSS).*

### Note:

variables\* are available as of Wave IV

variables\*\* are available as of Wave V

VARIABLE DEFINITION	VARIABLE NAME
<b>HOUSEHOLD LEVEL VARIABLES</b>	
<i><b>File information</b></i>	
Unique country/year id number	<b>COUNTRY</b>
Unique household unit number	<b>CASENUM</b>
Sample weight	<b>HWEIGHT</b>
Deflation factor *	<b>DEFLATE</b>
Country specific household information *	<b>HSLOT1</b>
Country specific household information *	<b>HSLOT2</b>
<i><b>Demographic variables</b></i>	
Married couple indicator	<b>MARRIED</b>
Age of head	<b>D1</b>
Age of spouse	<b>D2</b>
Sex of head	<b>D3</b>
Number of persons in household	<b>D4</b>
Family (unit) structure	<b>D5</b>
Number of earners in household	<b>D6</b>
Geographic location indicator A	<b>D7</b>
Ethnicity/Nationality of head	<b>D8</b>
Ethnicity/Nationality of spouse	<b>ETHNATSP</b>
Educational level of head	<b>D10</b>
Educational level of spouse	<b>D11</b>
Occupational training of head	<b>D12</b>
Occupational training of spouse	<b>D13</b>
Occupation of head	<b>D14</b>
Occupation of spouse	<b>D15</b>
Industry of head	<b>D16</b>
Industry of spouse	<b>D17</b>
Type (status) of worker head	<b>D18</b>
Type (status) of worker spouse	<b>D19</b>
Geographic location indicator B	<b>D20</b>
Marital status head	<b>D21</b>
Marital status spouse	<b>MARTSP</b>
Tenure (owned/rented housing)	<b>D22</b>
Disability status head	<b>D25</b>
Disability status spouse	<b>D26</b>
Number of children under age 18	<b>D27</b>
Age of the youngest child	<b>D28</b>
Number of persons aged 65 to 74	<b>NUM6574</b>
Number of persons aged 75 or more	<b>NUMGE75</b>

Activity Status Head *	ACTIVHD
Activity Status Spouse *	ACTIVSP
Immigration Status Head *	IMMIGRHD
Immigration Status Spouse *	IMMIGRSP
Labor force status head	LFSHD
Labor force status spouse	LFSSP
Weeks worked full time head	WEEKHDFD
Weeks worked full time spouse	WEEKSPFT
Weeks worked part time head	WEEKHDPT
Weeks worked part time spouse	WEEKSPPT
Weeks unemployed head	WEEKHDUP
Weeks unemployed spouse	WEEKSPUP
Hours worked per week head	HRSHD
Hours worked per week spouse	HRSSP
<i>Expenditure variables</i>	
Food expenditures	FOODEXP
Housing expenditures	HOUSEXP
Clothing expenditures	APPEXP
Transportation expenditures	TRANEXP
Child care expenditures *	CHCAREXP
Education expenditures *	EDUCEXP
Out of pocket medical expenditures *	MEDEXP
Total family unit expenditures	TOTEXP
<i>Income variables</i>	
Gross wages and salaries	V1
Net wages and salaries	V1NET
Mandatory employer contribution	V2
Non-mandatory employer contribution	V3
Farm self-employment income	V4
Self-employment income	V5
In-kind earnings	V6
Mandatory contribution for self-employment	V7
Cash property income	V8
Interests and dividends	V8S1
Rental income	V8S2
Private savings plans	V8S3
Royalties	V8S4
Other cash property income	V8SR
Interest paid **	V8X
Non-cash property income	V9
Market value of residence (homeowners)	V10
Income taxes	V11
Property or wealth taxes	V12
Mandatory employee contribution	V13
Other direct taxes	V14
Indirect taxes	V15
Sick pay	V16
Accident pay	V17
Disability pay	V18

Social retirement benefits	<b>V19</b>
Basic old age benefit *	<b>V19S1</b>
Supplementary old age benefit *	<b>V19S2</b>
Early retirement benefit *	<b>V19S3</b>
Survivor's pensions *	<b>V19S4</b>
Other soc. retirem. not incl. in V19S1-V19S4 *	<b>V19SR</b>
Child or family allowances	<b>V20</b>
Child allowance *	<b>V20S1</b>
Advance maintenance (single parents) *	<b>V20S2</b>
Orphan's pension allowance *	<b>V20S3</b>
Other child allowance amounts *	<b>V20SR</b>
Unemployment compensation	<b>V21</b>
Unemployment insurance *	<b>V21S1</b>
Training or retraining allowance *	<b>V21S2</b>
Placement/resettlement benefits *	<b>V21S3</b>
Other unemployment benefits *	<b>V21SR</b>
Maternity allowances	<b>V22</b>
Pay replacement *	<b>V22S1</b>
Birth premium *	<b>V22S2</b>
Other maternity/paternity benefits *	<b>V22SR</b>
Military/vet/war benefits	<b>V23</b>
Other social insurance	<b>V24</b>
Invalid care premium *	<b>V24S1</b>
Non means-tested student premium *	<b>V24S2</b>
Child care benefit - Not means-tested *	<b>V24S3</b>
Other social benefits *	<b>V24SR</b>
Means-tested cash benefits	<b>V25</b>
Social assistance *	<b>V25S1</b>
Old age assistance *	<b>V25S2</b>
Unemployment assistance *	<b>V25S3</b>
Unmarried mother's allowance *	<b>V25S4</b>
Other means-tested allowance *	<b>V25SR</b>
All near cash benefits	<b>V26</b>
Near cash food benefits *	<b>V26S1</b>
Near cash housing benefits *	<b>V26S2</b>
Near cash medical benefits *	<b>V26S3</b>
Near cash heating benefits *	<b>V26S4</b>
Near cash education benefits *	<b>V26S5</b>
Near cash child care benefits *	<b>V26S6</b>
Other near cash means-tested benefits *	<b>V26SR</b>
Value of non-cash food benefits	<b>V27</b>
Value of non-cash housing benefits	<b>V28</b>
Value of non-cash medical benefits	<b>V29</b>
Value of non-cash heating benefits	<b>V30</b>
Value of non-cash education benefits	<b>V31</b>

Value of non-cash care benefits *	V31A
Alternate non-cash income	ALTNCASH
Private pensions	V32
Occupational pensions *	V32S1
Opting out pensions *	V32S2
Other private pension income *	V32SR
Public sector pensions	V33
Alimony or child support	V34
Alimony/child support paid *	V34X
Other regular private income	V35
Regular transfers from relatives *	V35S1
Reg. transfers from private charitable organ. *	V35S2
Other regular private income *	V35SR
Transfers paid to relatives **	V35X
Other cash income	V36
Realized lump sum income	V37
Capital gains and losses *	V37S1
Other lump sum income *	V37SR
Gross wage/salary head	V39
Net wage/salary head	V39net
Hourly wage rate head	V40
Gross wage/salary spouse	V41
Net wage/salary spouse	V41net
Hourly wage rate spouse	V42
(Near cash housing benefits) <i>note: variable discontinued after Wave 3</i>	NEARCHB
(Near cash except housing) <i>note: variable discontinued after Wave 3</i>	NEARCOB
<b>LIS income aggregates</b>	
Total self employment income	SELF1
Total earnings	EARNING
Total factor income	FI
Total occupational pensions	PENSIOI
Total market income	MI
Total means-tested income	MEANSI
Total social insurance (excl. V19, V20 and V21)	OTHSOCI
Total social insurance transfer	SOCI
Total social transfers	SOCTRANS
Total private transfers	PRIVATI
Total transfer income	TRANSI
Total gross income	GI
Total mandatory payroll taxes	PAYROLL
Net disposable income	DPI
<b>PERSON LEVEL VARIABLES</b>	
<b>File information</b>	
Country id (unique)	COUNTRY
Unique unit number	CASENUM



Person number	PPNUM
Person weight	PWEIGHT
Country specific person information *	PSLOT1
Country specific person information *	PSLOT2
<i>Demographic variables</i>	
Age	PAGE
Sex	PSEX
Marital status	PMART
Relationship	PREL
Ethnicity/nationality	PETHNAT
Immigration status *	PIMMIGR
Educational level	PEDUC
Occupational training	PTOCC
Labor force status	PLFS
Activity code (occupation) *	PACTIV
Occupation	POCC
Industry	PIND
Type (status) of worker	PTYPEWK
Hours worked per week	PHOURS
Weeks worked full time	PWEEKFT
Weeks worked part time	PWEEKPT
Weeks unemployed	PWEEKUP
Disability status	PDISABL
<i>Income variables</i>	
Gross wage/salary	PGWAGE
Net wage/salary	PNWAGE
Hourly wage rate	PHRWAGE
Mandatory employer contribution	PMERC
Self-employment income **	PSELF
Income taxes	PYTAX
Property/wealth taxes	PWTAX
Mandatory employee contribution	PMEEC
Social retirement	PSOCRET
Basic old-age pension **	PSOCRET1
Supplementary old-age benefit **	PSOCRET2
Early retirement benefit **	PSOCRET3
Survivors pension **	PSOCRET4
Other social retirement income **	PSOCRETR
Unemployment compensation	PUNEMP
Unemployment insurance **	PUNEMP1
Training or retraining allowance **	PUNEMP2
Placement or resettlement benefits **	PUNEMP3
Other unemployment benefits **	PUNEMPR
Private pensions	PPRVPEN
Occupational pensions **	PPRVPEN1
Opting-out pensions **	PPRVPEN2
Other private pension income **	PPRVPENR
Public sector pensions	PPUBPEN

<b>CHILD LEVEL VARIABLES</b>	
<i><b>File information</b></i>	
Unique Country Id	<b>COUNTRY</b>
Unique Unit Number	<b>CASENUM</b>
Person Number	<b>PPNUM</b>
Child weight	<b>CWEIGHT</b>
<i><b>Demographic variables</b></i>	
Age of child	<b>CAGE</b>
Sex of child	<b>CSEX</b>
Relationship of child	<b>CREL</b>

*Copyright (c) 2000 Luxembourg Income Study all rights reserved*

Nähere Informationen sind auf der Webseite von LIS zu finden. Das Portal zu LIS ist:

[www.lisproject.org](http://www.lisproject.org)

Luxembourg Income Study - LIS asbl  
Rue des Pommiers, 17  
L - 2343 Luxembourg  
phone: +352-26 00 30  
fax: +352-26 00 30 30

Kontaktperson ist:  
Caroline de Tombeur, AdministrativeAssistant (Luxembourg Offices)  
[caroline@lisproject.org](mailto:caroline@lisproject.org)

Kati Foley, Administrative Assistant (Syracuse Offices)  
[lisaa@maxwell.syr.edu](mailto:lisaa@maxwell.syr.edu)

## LIS-Working Papers:

No. 366. *Do Multiculturalism Policies Erode the Welfare State?*, by Keith Banting and Will Kymlicka, December 2003.

"The past 30 years have witnessed a dramatic change in the way Western democracies deal with ethnic minorities. In the past, ethnic diversity was often seen as a threat to political stability, and minorities were subject to a range of policies intended to assimilate or marginalize them. Today, many Western democracies have adopted a more accommodating approach. This is reflected in the widespread adoption of multiculturalism policies for immigrant groups, the acceptance of territorial autonomy and language rights for national minorities, and the recognition of land claims and self-government rights for indigenous peoples. We refer to these policies as "multiculturalism policies" or MCPs. The adoption of MCPs has been controversial, for two reasons. The first is a philosophical critique, which argues that MCPs are inherently inconsistent with basic liberal-democratic principles. Since the mid-1990s, however, this philosophical debate has been supplemented by a second argument: namely, that MCPs make it more difficult to sustain a robust Welfare State (hereafter WS). Critics worry that such policies erode the interpersonal trust, social solidarity and political coalitions that sustain a strongly redistributive WS. This paper reviews the reasons why critics believe that MCPs weaken political support for redistribution, and then examines empirically whether the adoption of MCPs has, in fact, been associated with erosion of the WS. This examination involves two steps: we develop a taxonomy of MCPs and classify Western democracies as "strong", "modest" or "weak" in their level of MCPs. We then examine whether the strength of MCPs is associated with the erosion of the WS during the 1980s and 1990s. The evolution of the WS is measured through change in four indicators: social spending as a percentage of GDP; the redistributive impact of taxes and transfers; levels of child poverty; and the level of income inequality. We find no evidence of a consistent relationship between the adoption of MCPs and the erosion of the WS. Our analysis has limits, and we hope it stimulates further research. Nevertheless, the preliminary evidence presented here is clear: the case advanced by critics of MCPs is not supported. The growing ethnic diversity of Western societies has generated pressures for the construction of new and more inclusive forms of citizenship and national identity. The evidence in this paper suggests that debates over the appropriateness of multiculturalism policies as one response to this diversity should not be preempted by unsupported fears about their impact on the WS."

No. 365. *Human Capital Content and Selectivity of Romanian Emigration*, (revised) by Dragos Radu, December 2003.

"This paper is one of the first attempts to analyse empirically the human capital embodies in recent emigration flows from Romania. The analysis is pursued along two lines. Indices on the skill content of outflows are being constructed using an original data set derived from official administrative registers on Romanian emigrants. Indicators on the self-selection of labour migrants are presented by way of a simple human capital model. Data from two waves of the Romanian Integrated Household Survey - provided through the Luxembourg Income Study (LIS) - were matched with German administrative data on employees recorded by the social insurance system (IABS)."

No. 364. *Welfare Family Policies and Gender Earnings Inequality: A Cross-National Comparative Analysis*, by Hadas Mandel and Moshe Semyonov, December 2003.

"The present study examines whether and to what extent welfare-family policies are likely to affect earnings inequality between economically active men and women. Using hierarchical linear models, we combine individual-level variables (obtained from the

Luxembourg Income Study) with country level data (obtained from secondary sources) to evaluate the net effects of welfare family policies on gender earnings inequality across 20 industrialized countries. The analysis reveals that net of individual-level characteristics, gender-earnings disparities are likely to be less pronounced in states characterized by developed welfare-family policies. However, when differences in the earnings structure across countries are controlled and eliminated, we find that family policies do not exert a significant net effect on earnings disparities between men and women. The apparent insignificant effect is a result of two opposite effects that offset one another. Specifically, the narrowing effect of family policy on gender earnings inequality is offset by the opposite effect of gender based occupational segregation. These findings clearly expose the unintended implications of 'protective' family policies, namely, a more gender segregated labor market, and its detrimental implications for earnings inequality between men and women. The contradictory effects of welfare-state policies on gender earnings inequality are discussed and evaluated in light of sociological theories on the role of welfare policies in contemporary societies."

No. 363. *Is Mothers' Employment an Effective Means to Fight Family Poverty? Empirical Evidence from Seven European Countries*, by Felix Büchel, Antje Mertens, and Kristian Orsini, November 2003.

"Using data from the mid-1990s from the Luxembourg Income Study (LIS), we analyze for several household types the effect of mothers' work participation on families' relative income position and poverty risk. Results are compared across seven European countries with contrasting family policies: the UK, Germany, France, the Netherlands, Italy, Sweden, and Finland. Findings based on traditional research designs first indicate a strong positive effect of mothers' labor market participation on families' income situation in almost all countries and family types. By applying selectivity models, however, we show that a substantial part of this positive effect is caused by the fact that mothers in employment are a positively selected group. This implies that continuing policy measures to expand mothers' labor market participation – which are, nevertheless, strongly recommended – are likely to become less efficient as the work participation of mothers increases."

No. 362. *An Equality-Growth Tradeoff?*, by Lane Kenworthy, November 2003.

"For a long time conventional wisdom held that income inequality enhances investment and work incentives and thereby is good for economic growth. In the 1990s this view was turned on its head, as a number of empirical analyses found an association between inequality and slower growth across large samples of mainly less developed nations. Researchers also identified various causal paths through which inequality might reduce growth. Recently, several studies focusing on rich countries have discovered an apparent growth-enhancing effect of inequality, consistent with the older view. My examination of 15 affluent countries over the 1980s and 1990s suggests no general tendency for inequality to influence economic growth in either direction. The same is true for the U.S. states in these two decades. Post-World War II longitudinal trends in the United States also offer no indication that inequality has had an effect on growth."

No. 361. *Exploring the Long Term Effects of Educational Policies on the Income Redistribution Processes*, by Jorge Calero, October 2003.

"Public finance of post-compulsory education modifies substantially the supply of educational qualifications. Such modification has crucial implications for the long-term income distribution processes: in a context of sustained increases of demand for educational qualifications (brought about by various factors, among which the

incorporation of new technologies and international competition may be emphasized), growth in supply reduces the increasing trend of the educational wage premium, contributing, thus, to control the enlargement of primary income inequality. This long-term effect combines with the rest of redistributive effects generated by educational policies and, more specifically, by public finance. In this paper the mentioned long-term effects are tackled, both from a methodological perspective and from a comparative analysis applied to developed countries. The Luxembourg Income Study (LIS) databases, together with the European Community Household Panel (ECHP) database (for Spain) were used in the empirical work."

No. 360. *Fertility and Family Income on the Move: An International Comparison Over 20 Years*, by Nicola Dickmann, October 2003.

"The income situation of families has always been a major topic for politicians and the public in modern welfare states. The ongoing call for better funding of families reflects the hardship of couples with children who seem to be unable to sustain the living standards of childless couples in similar circumstances. This study aims at providing some interesting facts about the correlation of fertility and income and on the income situation of families in order to provide a sound basis for further political discussions. It looks at the relative economic situation of families in comparison to childless couples so as to reveal incentive structures for couples to decide for or against children. Hereafter, investigations of different sources of family income try to clarify the reasons behind the observed developments over time. Furthermore, the often suggested correlation between low income and many children or high income and few descendants is being tested statistically in order to measure the relevance of the economic situation for the fertility decision. The paper is organised as follows: After explaining the methodological background of the selected sample and the calculation with the data of the Luxembourg Income Study (LIS), the study analyses the correlation between income and fertility. Next an investigation of the economic situation of families in comparison to childless couples at the very beginning of the 1980s is being conducted and compared with the data around 1990 and 2000. The paper then looks for explanation of the observed differences, first in comparing the cash benefits to families across countries over time followed by a closer look on the development of the personal income of family members. The paper ends with a brief discussion of the political implications of the findings."

No. 359. *Inequality in the Family: The Institutional Aspects of Wives' Earning Dependency*, by Haya Stier and Hadas Mandel, October 2003.

"This paper examines the effect of family-oriented policies on wives economic dependency within the household. Using national samples of working-age couples in 19 countries (obtained from the Luxembourg Income Study) we employed Hierarchical Linear Models in order to separate the effects of individual and country level variables on women's economic dependency. We distinguish between two types of policies: those which could potentially challenge the traditional division of labor between the genders (e.g., child-care arrangements) and those which preserve it (e.g. maternity leave). The findings suggest that in general, generous maternity leave and child-care facilities reduce women's economic dependency through their effect on female labor force participation. Similarly, part-time employment reduces women's economic dependency inasmuch as it facilitates the incorporation of women to the labor force. However, among dual-earner families, higher rates of child-care facilities had no effect on women's dependency level, while part time employment increased it. Contrary to our expectations, highly developed maternity leave policies were found to reduce women's economic dependency level. Our findings support the general assertion that increasing the level of women's economic activity improves their

standing within the household. Nonetheless, the relatively high levels of women's economic dependency among those who already decided to participate in market work, suggest that in order to increase gender equality within the household, policies should aim not only at facilitating women's employment per se but also at equalizing the conditions under which men and women work."

No. 355. Social Transfers and Income Inequality in Old-age: A Multi-national Perspective?, by Robert L. Brown and Steven G. Prus, August 2003.

"This paper examines variation in old-age income inequality between industrialized nations with modern welfare systems. The analysis of income inequality across countries with different retirement income systems provides a perspective on public pension policy choices and designs and their distributional implications. Because of the progressive nature of public pension programs, we hypothesize that there is an inverse relationship between the quality of public pension benefits and old-age income inequality -- that is, countries with comprehensive, universal, and generous public pension systems will exhibit more equal distributions of income in old age. Luxembourg Income Study data indeed show that cross-national variation in old-age income inequality is partly explained by differences in the percentage of seniors' total income derived from public pension transfers. Sweden, for example, has the highest the level of government transfers and the lowest level of old-age income inequality, while Israel and the U.S. have the lowest levels of dependency on government transfers and the highest levels of income inequality. A notable exception is Canada where public transfers represent only a moderate portion of elderly income, yet old-age income inequality is relatively low. This suggests that other factors besides quality of public pension benefits play a role in differences in old-age income inequality across countries."

No. 353. Two Worlds of Retirement Income: A Comparative Analysis of Retirement-Income Outcomes Using the Luxembourg Income Study, by Kevin Lomax and Brian Gran, June 2003.

"This paper examines whether retirement-income systems allow older individuals to enjoy socially acceptable income levels independent of paid work (decommodification) and the family (defamilialization). Little research has investigated the degree to which decommodification and defamilialization levels, whether from public or private sources, vary by age. We employ the Luxembourg Income Study to compare Canada, Finland, France, Germany, Sweden, and the United States. This study applies the Pythagorean Theorem to measure autonomy, then explores whether members experience decommodification and defamilialization levels predicted for their system. Our results show Sweden and Canada provide highest autonomy levels, Finland, France and the United States provide moderate levels, and Germany low levels. We find age polarity: Swedes and Finns who are decommodified and defamilialized tend to be younger than age 70. Individuals who are decommodified and defamilialized through the retirement-income systems of Canada, France, Germany, and the United States, however, tend to be older than age 75. Some experts contend systems have converged, yet retirement-income systems do not produce similar autonomy levels. Outcomes for system members vary by age, suggesting reformers cannot take "one size fits all" approaches."

No. 349. Wives' Economic Contribution to the Household Income in Japan with Cross-national Perspective, by Sawako Shirahase, May 2003.

"Drastic changes in the demographic structure of Japan, that is, the decline in the fertility rate and the growth in the aged population, and their possible consequences have been seriously discussed by scholars, policy makers, and the media. The continuous decline of

the fertility rate raised people's concern over the reduction in the productive labor force and the potential imbalance in the future between contributions and benefits of social security. The ratio of young workers to the retired population has been declining rapidly, and the support of the elderly is becoming the burden of the working-age population. Japan has been characterized by the least favorable work setting for women, as exemplified by the discontinuous pattern of work among mothers, the large extent of wage gap between men and women, and the very low proportion of women holding managerial positions. In this paper, I would like to explore the affect of mothers' decision to work and the extent of their contribution to the household economy. This paper is divided into the three parts. First, I will show the trend in the fertility rate and the female labor force participation rate in Japan since 1960, and provide an overview of recent studies on married women's labor force participation. Second, I will examine mothers' working pattern, especially focusing on the continuation of work before and after the first childbirth in Japan. Third, I will compare mother's work in Japan with that in other industrial nations, focusing on the extent of their contribution to the household economy."

No. 348. Income Guarantees and the Equity-Efficiency Tradeoff, by Steven Pressman, May 2003.

"The present study examines the hypotheses that progressive welfare-state policies are likely to increase women's labor force participation, but at the same time to increase both occupational segregation and earning gaps between economically active men and women. Using data from 20 industrialized countries (obtained from the Luxembourg Income Study), we combine both individual-level and country-level variables into one data file. The country-level variables pertain to a series of family oriented policies enacted by the state, and to the size of the public welfare sector. The data are analyzed to estimate the net effects of welfare state policies on female labor force participation, occupational segregation, and gender earnings inequality across the 20 countries. The analysis lends firm support to the hypothesis that progressive welfare policies are associated with higher rates of female labor force participation and with higher rates of gender-based occupational segregation but only limited support to the hypothesis that welfare-policies are likely to decrease gender inequality in earnings. The direct and indirect effects of welfare-state policies on earnings inequality obtained from multilevel regression models are discussed and re-evaluated in light of sociological theory."

No. 347. Regional Redistribution: Applying Data from Household Income Data, by Nirmala Ravishankar, January 2003.

"This paper evaluates the use of microeconomic data, namely household income surveys from the Luxembourg Income Study (LIS), for researching interregional redistribution. Patterns of regional growth and regional redistribution are the focus of a growing body of literature. Most of these studies use macroeconomic indicators like real GDP to estimate per capita income. LIS survey data offers researchers the opportunity to construct estimates of regional income distribution and interregional redistribution based on household income information for over 25 countries. The goal of this paper is to present a preliminary analysis of interregional inequality and redistribution in four federal states – the United States of America, Canada, Germany and Australia, using LIS data. Firstly, it estimates interregional inequality based on household income before and after redistribution. In the first method, interregional redistribution is defined as the percentage reduction in interregional inequality from before taxes and transfers to after and calculated by comparing the "between-group" Theil Index before and after redistribution. In the second method, a simple regression model is used to estimate the effect of pre-redistribution mean income in a region on its post-redistribution mean income after controlling for population.

The format of the paper is as follows. Section II offers a brief overview of the literature focusing on the key theoretical arguments that have framed the study of interregional redistribution. Section III provides a description of the LIS household income data and a discussion of research methodology. The empirical results from the data analysis are presented in Section IV. Finally, Section V sums up the main findings of this paper and explores ways to expand this research in the future."

No. 346. The Prevalence of Welfare State Policies and Gender Socioeconomic Inequality: A Comparative Analysis, by Hadas Mandel and Moshe Semyonov, March 2003.

"The present study examines the hypotheses that progressive welfare-state policies are likely to increase women's labor force participation, but at the same time to increase both occupational segregation and earning gaps between economically active men and women. Using data from 20 industrialized countries (obtained from the Luxembourg Income Study), we combine both individual-level and country-level variables into one data file. The country-level variables pertain to a series of family oriented policies enacted by the state, and to the size of the public welfare sector. The data are analyzed to estimate the net effects of welfare state policies on female labor force participation, occupational segregation, and gender earnings inequality across the 20 countries. The analysis lends firm support to the hypothesis that progressive welfare policies are associated with higher rates of female labor force participation and with higher rates of gender-based occupational segregation but only limited support to the hypothesis that welfare-policies are likely to decrease gender inequality in earnings. The direct and indirect effects of welfare-state policies on earnings inequality obtained from multilevel regression models are discussed and re-evaluated in light of sociological theory."

No. 345. Real Standards of Living and Public Support for Children: A Cross-National Comparison, by Timothy Smeeding, December 2002.

"Most cross-country comparisons of living standards focus on real Purchasing Power Parities (PPP) adjusted Gross Domestic Product (GDP) per person. These measures provide no variance in living standards within the nation, nor do they account for the amount of real incomes that families actually have to spend for themselves and their children. The Luxembourg Income Study (LIS) household microdata for 13 nations and Organization for Economic Cooperation and Development (OECD) PPP's and noncash benefit data are used to examine differences in the standard of living among children at various points in the income distribution. We include the value of noncash benefits for health care and education as well as money, and determine the value of public sector benefits compared to taxes paid for social transfers by this group. The results indicate a wide range of differences in levels of economic resources and support for children within, as well as between, nations. The levels of benefits, net of taxes paid, vary considerably across the income distribution in all countries, with noncash benefits for health and education playing a crucial role in determining which families are net beneficiaries or net taxpayers. The implications of these findings for equality of opportunity and for public policy, particularly in the United Kingdom and the United States, are drawn in conclusion."

No.344. More is Not Necessarily Better: An Empirical Analysis of the Inequality-Growth Tradeoff Using the Luxembourg Income Study, by Georges Heinrich, March 2003.

"Whenever a country experiences an increase in its mean income, inequality roars its ugly head and the net outcome in terms of poverty remains ambiguous. Kakwani (2000) proposes an instrument that allows quantifying this inequality-growth tradeoff. This paper applies that methodology to 28 middle- and high-income countries included in the Luxembourg Income Study database. It finds that the inequality-growth tradeoff is



generally quite high for all countries. This finding implies that there can be no sustained reduction of poverty without income redistribution."

No. 342 Poverty Alleviation and the Degree of Centralisation in European Schemes of Social Assistance, by Katja Hölsch and Margit Kraus, March 2003.

"In this paper, the relationship between the degree of centralisation and the distributive outcomes in European schemes of social assistance is investigated. For this purpose, a scheme of classification suitable for grouping the EU15 schemes except for Luxembourg according to features related to centralisation is established and an indicator for centralisation is developed. Subsequently, on the basis of LIS data the effectiveness and efficiency in reducing poverty through social assistance payments are calculated for five selected EU systems and the linkage of their distributive impacts to the degree of centralisation is examined."

No. 341. International Comparisons of Income Distribution, by Stephen Bazen and Patrick Moyes, February 2003.

"When incorporating differences in household characteristics, the choice of equivalence scale can affect the ranking of income distributions. An alternative approach was pioneered by A.B. Atkinson and F. Bourguignon (G.R. Feiwel (Ed.), Arrow and the Foundation of the Theory of Economic Policy, Macmillan, New York, 1987), who derive a sequential Lorenz dominance criterion for comparing distributions with an identical population structure. In order to make their approach applicable to international comparisons, we extend their criterion to the case of different marginal distributions of household types, and derive a sequential stochastic dominance criterion that highlights the importance of first order dominance of the marginal distribution of household characteristics for obtaining consistent rankings of income distributions. Comparisons of distributions are made using the Luxembourg Income Study database for a number of countries."

No. 338. A Comparison of Income, Expenditures, and Home Market Value Distributions using Luxembourg Income Study Data from the 1990s, by Eva Sierminska and Thesia I. Garner, December 2002.

"The purpose of this paper is to review recent data made available through the Luxembourg Income Study (LIS) that include expenditures and asset valuations. The LIS data are augmented with comparable data from the U.S. Consumer Expenditure Survey. The surveys with expenditure data are reviewed in terms of collection units and variable definitions. Inequality statistics are produced and compared using income, expenditures, and market value of owned home. Rankings of countries by income and expenditure inequality are similar but not the same across the countries studied. Suggestions are made for the LIS to improve the expenditure data available following the COICOPS framework."

No. 337. The Puzzle of Egalitarianism: About the Relationships between Employment, Wage Inequality, Social Expenditures and Poverty, by Bea Cantillon, Ive Marx, and Karel Van den Bosch, December 2002.

"In the social policy debate, fundamentally different ideas prevail about the interlinkages between such key variables as employment, low pay, social transfers and poverty. This paper presents basic empirical evidence on the validity of these ideas and the policy prescriptions that follow from them, mainly drawing on cross-country comparative analysis. We show that clear and striking cross-country correlations prevail, but not, as is often so readily suggested, between low pay (wage compression) and employment performance, or between employment performance and poverty. Instead we find a strong and positive cross-country correlation between the incidence of low pay and the incidence

of relative poverty, and we also find a strong but negative cross-country correlation between the level of social spending and the incidence of poverty. In addition, the incidence of low wage employment and social expenditure are also strongly and (negatively) related. We examine these correlations in more depth, particularly the link between the level of social spending and poverty. Since there is such a clear and strong negative link between the level of social expenditure and the level of poverty, it is tempting to think that more social spending offers an easy route to less poverty. However, a simple simulation exercise using Luxemburg Income Study data from the mid 90's suggests that putting more money in social transfer systems as they currently exist in the EU would not have positive outcomes on poverty rates in all countries. The final section of the papers sets out an agenda for further research".

No. 336. Social Policy Strategies to Combat Income Poverty of Children and Families in Europe, by Bea Cantillon and Karel Van den Bosch, January 2003.

"In the EU there is growing concern about poverty among children, and among families with children. In most OECD countries, income poverty among children now exceeds that among the elderly, who traditionally were the demographic group most at risk of poverty (Jäntti and Danziger, 2000). However, the policy response of most industrialized countries in the past decades towards poverty among the elderly - extending coverage and levels of pension benefits - is less obvious as a policy option as regards poverty among families with children. There are two basic reasons for this. First of all, there is a consensus that increases in social spending are to be avoided, in view of the expected upward pressure on government budgets resulting from the ageing of the population in the coming decades. Secondly, in contrast to the elderly, families with children are supposed to be 'self-reliant', i.e. to be able - in normal circumstances - to earn sufficient income through their own efforts to escape poverty. Benefit dependency is seen as economically inefficient, as socially and morally degrading, and also as ultimately an ineffective route to escape poverty. Given this starting point, this paper tries to reach some general policy recommendations for combating income poverty among children and families. It is organised as follows. In the next section, families with children are most at risk of poverty are identified. Single parents obviously belong to this category, but - what is less well known - so do families with three or more children. There is then discussion of some of the new social risks leading to child poverty, which are related to low skills and to the current impossibility of many parents to combine care for children and paid work. In the fourth and final section, there is suggestions for possible policy responses which would support families in meeting the direct and indirect costs of children".

No. 335. Polarization: Concepts, Measurement, Estimation, by Jean-Yves Duclos, Joan Esteban, and Debraj Ray, November 2002.

"The purpose of this paper is two-fold. First, we develop the measurement theory of polarization for the case in which asset distributions can be described using density functions. Second, we provide sample estimators of population polarization indices that can be used to compare polarization across time or entities. Distribution-free statistical inference results are also derived in order to ensure that the orderings of polarization across entities are not simply due to sampling noise. An illustration of the use of these tools using data from 21 countries shows that polarization and inequality orderings can often differ in practice".

No. 334. Time, Money and Inequality in International Perspective, by Lars Osberg, November 2002.

"Across OECD countries there are large differences in the average level and trend of

working hours and there is persuasive evidence that attitudes to paid employment, particularly for women, differ significantly. This paper therefore asks the question: "How much of the difference between countries in inequality of the distribution of money income can be explained by differing probabilities of paid employment?" Luxembourg Income Study data on the USA, UK, Canada, Germany, France and Sweden is used to simulate the income distributions that other countries would have if they had the US (or German) female, and total, employment rate. In every case, measured trans-Atlantic differences in the inequality of money income increase - hence observed differences understate the extent of differences in well being. Put simply, in the US the less affluent have to work harder, and still end up relatively poorer, than in other countries ".

No. 332. Gender, Household and Individual Income in France, Germany, Italy, the Netherlands, Sweden, the USA and the UK, by Katherine Rake and Mary Daly, November 2002.

"This paper examines gender differentials in the resources of households and individuals across seven welfare states. In its first part, it asks whether female-headed households can secure a living income without recourse to either the state or the income of a male partner. It then steps inside the private sphere, for the purpose of investigating gender differentials in individual incomes and the degree to which women and men rely on the family as a source of financial support. Technical details of the methodology employed for this analysis follow in an appendix."

No. 330. The Structure of Women's Employment in Comparative Perspective, by Becky Pettit and Jennifer Hook, September 2002.

"One of the most dramatic social transformations of the latter half of the twentieth century involved the massive influx of women into the paid labor force. A central debate in studies of women's labor force participation concerns the influence of demographic and economic structures and institutional conditions on female employment. Single-country studies show consistent relationships between demographic and economic conditions and women's labor force participation. In contrast, comparativists emphasize institutional explanations for observed cross-national variation in aggregate levels of female employment. In this paper we analyze social survey data from 18 countries using multi-level modeling methods in an effort to synthesize structural and institutional accounts for variation in women's employment. Structural conditions including unemployment and service sector growth are important predictors of the overall level of women's employment. The effects of demographic characteristics on women's employment vary significantly across countries, and results suggest differences in policy context are associated with women's employment. In particular, federally supported child care is associated with an increase in the probability of employment among married women and women with children."

No. 327. The Impact of Taxation on the Equalising Effect of Social Insurance to Income Inequality: a Comparative Analysis of Ten Welfare States, by Tommy Ferrarini and Kenneth Nelson, October 2002.

"Welfare state regimes vary in their redistribution strategies. Some welfare states have extensive taxable social insurance schemes, while others rely more on non-taxable means-tested benefits. In order to assess the distributive effects of different program types, it is necessary to analyse social insurance after taxes, something rarely practised in comparative research. In this paper, we evaluate distributive effects of social insurance after taking taxes into account in ten welfare states. However, a study of net social insurance raises estimation problems in countries where spouses are taxed separately and income data only is reported on household level. The paper therefore includes a series of validity tests of

estimated levels of social insurance after taxes. The main conclusion is that it is possible and necessary to estimate social transfers net of taxes in order to not misspecify the redistributive outcome of social insurance in both inter-country and intra-country analyses of income distributions. The analyses are based on micro level income data from the Swedish Level of Living Survey (LLS) and the Luxembourg Income Study (LIS) including ten countries."

No. 326. How Much does Work Matter for Inequality? Time, Money and Inequality in International Perspective, by Lars Osberg, September 2002.

"How much of the difference between countries in inequality of the distribution of income can be explained by work - i.e. by differing probabilities of any employment? Across OECD countries there are large differences in the average level and distribution of working hours. These differences arise from differing common entitlements to leisure (e.g. paid Public Holidays), plus differences in working hours per employee and in the percentage of the working age population who have some paid employment. The participation level is particularly important for inequality differences and there is persuasive evidence that country attitudes to paid employment, particularly for women, differ significantly. This paper uses Luxembourg Income Study data on Canada and the USA, UK, Germany, France and Sweden to simulate the income distributions that other countries would have if they had the Canadian pattern of workforce participation. Because employment rates in the US are quite similar to those in Canada, inequality in the USA would change only fractionally. In every other case, poverty and inequality would fall, indicating that measured differences in the inequality of money income between the North America and Europe understate the extent of cross country differences in well being. Put simply, in North America the relatively poor have to work harder, and still end up poorer, than in Europe."

No. 321. Poverty Levels in the Developed World, by David Jesuit and Timothy M. Smeeding, July 2002.

"In this contribution, we discuss the major concepts and approaches adopted by researchers to assess how successfully different policy regimes cope with poverty alleviation. We also present the most recent figures available for 22 countries for a variety of indicators using the most comprehensive source of income data currently available. Finally, we caution researchers to pay close attention to issues of data quality and suggest areas where more research is particularly warranted."

No. 320. Globalization, Inequality and the Rich Countries of the G-20: Evidence from the Luxembourg Income Study (LIS), by Timothy M. Smeeding, July 2002.

"The purpose of this study is to summarize and comment upon what we know about the determinants of both the level and trend in economic inequality over the past two decades, and to relate these findings to the progress of globalization in these nations. While the fruits of economic progress in rich nations have not been equally spread, we argue that most citizens in rich Organization for Economic Cooperation and Development (OECD) nations have benefited from the trend toward global economic progress. We begin with a summary of the differences in overall economic inequality within the G-20 nations based on LIS (Luxembourg Income Study) data and recent work by others. Here we find that social policies, wage distributions, time worked, social and labor market institutions and demographic differences all have some influence on why there are large differences in inequality among rich nations at any point in time. In contrast, trade policy has not been shown to have any major impact on economic inequality. Next, we turn to trends in inequality. We find modest and sometimes dissimilar changes in the distribution of income

have taken place within most advanced nations, with most finding a higher level of inequality in the mid-to-late 1990s than in the 1980s. Inequality, however, has not risen markedly in some nations (e.g., Denmark, Germany, France, and Canada) over this period, while its rise has slowed in several other nations during the late 1990s. The explanations for rising inequality in rich countries are many, and no one single set of explanations is ultimately convincing. In particular, there is no evidence that we know of that trade and globalization is bad for rich countries. This suggests that rising economic inequality is not inevitable, or that it necessarily hurts low skill-low income families. Rather it suggests that globalization does not force any single outcome on any country. Domestic policies and institutions still have large effects on the level and trend of inequality within rich and middle-income nations, even in a globalizing world economy."

No. 319. No Child Left Behind?, by Timothy M. Smeeding, April 2002.

"The title of this article is taken from the inspirational slogan of President George W. Bush, whose recently passed Elementary and Secondary Education Act bears this title. In this bill, as in the 1996 Welfare Reform Act, accountability won the day over federal fiscal support for low-income families. Of course, the 1996 Welfare Reform Act is a major 'accountability' success story, with the AFDC/TANF caseloads (households) falling from over 5.0 million in 1994 and 4.5 million in 1996 to 2.2 million cases by June 2000, about one third of the 6.6 million households which benefited from the SSI program in that same year. But, what is the larger context in which we should interpret these programmatic changes and slogans? The slogan clearly challenges us to judge a society by how well it treats its children. But when we compare the well-being of American children Canadian or European kids, can we really say that the United States has not left any of its children behind? What can we say about equality of opportunity or fair life chances for America's children compared to their counterparts in other rich countries? This paper summarizes the poverty status of American children and then the variance in their "real" standard of living. Then we briefly look at the reason why low-income American children and their parents are in such straits and conclude with a few low cost policy suggestions on how to improve the living standards of poor children, so that their greater accountability and better labor market for performance is rewarded by better family outcomes".

No. 318. Regional Poverty within the Rich Countries, by David Jesuit, Lee Rainwater and Timothy Smeeding, March 2002.

"Using regional incomes as the reference group, disposable income poverty rates are computed for the two most recent waves of Luxembourg Income Study (LIS) data available for the following countries: Australia, Canada, Finland, France, Germany, Italy, the United Kingdom, and the United States. In addition, we aggregate the regions of the five western European countries we examine so that we can better assess the effectiveness of Europe's efforts to reduce the economic gaps between regions. We find that the countries we examine have patterns of regional poverty that help us better understand the national aggregate measures, and we are able to identify areas where antipoverty efforts should be made a priority."

No. 317. The Effect of Social Transfers in Europe: An Empirical Analysis Using Generalised Lorenz Curves, by Katja Hölsch, August 2002.

"This paper aims at examining the impact of different transfers on the income distribution in European countries. Therefore an empirical analysis using generalised Lorenz curve comparisons is carried out. The obtained results are investigated by relating them to a classification of European social transfer systems."

No. 316. Varieties of Welfare Capitalism, by Alexander Hicks and Lane Kenworthy, August 2002.

"Despite the considerable influence of Esping-Andersen's categorization of three "worlds" of welfare capitalism, researchers have largely neglected investigation of his dimensions of welfare state policy and politics. Building on and extending the foundations provided by Esping-Andersen, we explore the identities and consequences of welfare state regime dimensions. Our principal components analyses identify two such dimensions. The first, which we label "progressive liberalism," rearranges Esping-Andersen's separate "social democratic" and "liberal" dimensions into two poles of a single dimension. Its positive pole is characterized by extensive, universal, and homogenous benefits, active labor market policy, government employment, and gender-egalitarian family policies. The second, which we label "traditional conservatism," is similar to but broader than Esping-Andersen's conservative dimension. It features not only occupational and status-based differentiations of social insurance programs and specialized income security programs for civil servants, but also generous and long-lasting unemployment benefits, reliance on employer-heavy social insurance tax burdens, and extension of union collective bargaining coverage. Pooled cross-section time-series regressions covering 18 countries over the 1980s and 1990s suggest that progressive liberalism is associated with income redistribution and gender equality in the labor market. The principal consequence of traditional conservatism appears to be weakened employment performance."

No. 314. Getting Older, Getting Poorer? A Study of the Earnings, Pensions, Assets and Living Arrangements of Older People in Nine Countries, by Atsuhiko Yamada and Bernard Casey, April 2002.

"Ageing involves not one but several transitions. People move from working to not working, from relying upon labour income to relying on transfers. They also tend to live in smaller households, not only because any children will have moved away but also because, at some stage, a spouse dies. People move homes and sometimes they move back to live with their now grown-up children. This paper examines the wellbeing of people as they pass through the later stages of their life and through different labour market statuses and domestic statuses. It examines and compares nine countries - Canada, Finland, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom and the United States. It draws particularly from a special analysis of micro-data sets that report on incomes, but it complements this with an analysis of data on wealth, on consumption, on housing and on the use of in-kind services provided by the state. The paper is original in more than one way. First, its analysis is based upon the individual rather than the household. This means both that the importance of own-income sources can be evaluated and that intrafamilial transfers are observed. Second, it includes Japan, a country where both employment patterns and living patterns for older people are substantially different to those of many other OECD countries. Many more work, and many more live in multigenerational households. Principal findings are that, although income does fall with age, people over retirement age are not substantially less well off than people of working age. The difference is further reduced when the absence of work-related expenses and older people's generally lower housing expenses are taken into account. Remarkably, and regardless of the public-private mix of pensions and the importance or otherwise of work, the income of retirement-age people, relative to that of working-age people, is rather similar

across all nine countries. Nevertheless, some older people, particularly old single women, fare less well, and this is the case in all nine countries. Widowhood reduces wellbeing, particularly because in many countries all or part of the husband's pension is lost, but also because single people do not enjoy the scale economies enjoyed by couple households.

Those old single people who move back with their adult relatives tend to fare much better than those who stay living alone. Consumption of in-kind services provided by the state, such as social care and especially of health care services, can substantially enhance the income of the oldest of the old. This needs to be taken into account when relative wellbeing is assessed. The extent to which such services are provided cost-free makes comparisons between countries as different as the United States and Sweden quite fraught. Analysis such as was carried out here on a one-off basis needs to be repeated to monitor changes in wellbeing in old age. This is important because pension policy is being changed. Older people are being encouraged to work longer and private rather than public provision is being promoted."

312. European Schemes of Social Assistance: An Empirical Analysis of Set-Ups and Distributive Impacts, by Katja Hölsch and Margit Kraus, August 2002.

"This paper analyses the distributive impacts of various regulatory and institutional settings of European schemes of social assistance. For this purpose, two sets of classifications of European schemes of social assistance are introduced that classify the systems according to regulatory arrangements and degree of centralisation, respectively. Subsequently, the distributive impacts of five selected EU systems are calculated on the basis of LIS data and their relationship to class assignment is investigated."

311. The Public-Private Mix of Retirement Income in Nine OECD Countries: Some Evidence From Micro-data and an Exploration of its Implications, by Bernard H. Casey and Atsuhiko Yamada, August 2002.

"Over the past three decades, the wellbeing of people over retirement age has improved, not only absolutely but also relatively. Being old is no longer synonymous with being poor. This improvement has occurred across almost all of the main OECD countries, and has occurred almost regardless of the type of pension system that is operating in the country concerned. This chapter seeks to illustrate the importance or other wise of the nature of the public-private mix in incomes in old age both in producing this improvement in wellbeing and in leading to differences in the level of wellbeing enjoyed by different types of person. It draws from a number of studies undertaken at the Social Policy Division of the OECD in the course of 2000 and 2001, many of which have been reported upon in OECD (2001) and Yamada and Casey (2002)."

308. The Age-Orientation of Social Policy Regimes in OECD Countries, by Julia Lynch, September 2001.

"This article presents a series of measures of the extent to which social policies in twenty-one OECD countries are oriented towards the support of elderly (over 65 or in formal retirement) and non-elderly (under 65 and not retired) population groups. Employing breakdowns by age in spending on social insurance, education and health, tax expenditures on welfare substituting goods, and housing policy outcomes, this article shows that countries tend to demonstrate a consistent age-orientation across a variety of policy areas and instruments. After correcting for the demographic structure of the population, Greece, Japan, Italy, Spain and the United States have the most elderly-oriented social policy regimes, while the Netherlands, Ireland, Canada and the Nordic countries have a more age-neutral repertoire of social policies. In identifying the ageorientation of social policy as a dimension of distributive politics that is not captured by other welfare state typologies, this article suggests the need to develop new accounts of the development of welfare states that include the dimension of age."

307. European Anti-Poverty Policies in the 1990s: Toward a Common Safety Net?, by Diane

Sainsbury and Ann Morissens, June 2002.

"Using the notion of the poverty regime as a heuristic device, this paper examines the safety nets of several members of the European Union and three candidate countries: Belgium, France, Germany, the Netherlands, Italy, Spain, the United Kingdom, Denmark, Finland, Sweden, the Czech Republic, Hungary and Poland. It addresses two board issues: 1) Has there been a convergence in the safety nets of these member countries of the European Union during the 1990s? 2) What are the implications of enlargement of the European Union for the creation of a common safety net? Initially several dimensions of the poverty regime are employed to compare the safety nets. Subsequently we analyse the incidence of poverty and poverty reduction for the entire population and vulnerable groups-the unemployed, solo mothers and large families, and the elderly-in the countries using data from the Luxembourg Income Study. In analysing poverty reduction effectiveness we utilise both relative and absolute measures to gauge the impact of income maintenance policies, distinguishing between the safety net and other transfers. The analysis reveals that during the 1990s the poverty rate increased in most countries and in many instances for vulnerable groups; an exception was the elderly. Means tested benefits assumed growing importance in alleviating poverty, but reforms also produced diversity in the safety nets across Europe. Contrary to earlier theorising that means tested benefits are marginalized in the social democratic welfare state regime, we find that the safety nets in these countries often equalled or surpassed that of the UK in reducing poverty. Finally, apart from impressive poverty reduction, the policies of the three candidate countries did not form a distinctive poverty regime. Instead they tended to cluster with other member countries."

305. A Comparison of Parametric Models of Income Distribution Across Countries and Over Time, by Ripsy Bandourian, James B. McDonald, and Robert S. Turley, June 2002.

"The five-parameter generalized beta distribution and ten of its special cases are considered as models fore the size distribution of income. The models are fit to income data for 23 countries and various years - a total of 82 datasets. Of the models considered, the Weibull, Daagum and generalized beta of the second kind are best fitting of the models with two, three and four parameters for 62 percent, 84 percent, and 96 percent of the datasets, respectively. Increasing inequality with respect to pre-tax income is observed in most of the countries considered."

304. Children, Social Assistance and Outcomes: Cross National Comparisons, by Roderic Beaujot and Jianye Liu, June 2002.

"The prevalence of low income for children, especially for children in lone-parent families,varies considerably across countries. This paper considers five sets of hypotheses that may explain this cross-national variability of child poverty. The tentative conclusion from this analysis in 20 countries is that reducing child poverty, and in lone-parent families in particular, requires several approaches. Provisions that would discourage teenage childbearing would have their importance, as would opportunities for lone mothers to work.

More important is the generosity of social expenditure applying to individuals and especially to families. The present analysis also shows the advantages of encouraging joint custody, along with special provisions for lone parents, and child support through advance maintenance payments."

303. Measuring Well-Being and Exclusion in Europe's Regions, by Kitty Stewart, March 2002. "



The Lisbon summit of the European Council in March 2000 declared the number of people living in poverty and social exclusion in the European Union to be unacceptable, and called for steps to tackle the issue, beginning with the setting of targets for particular indicators. The targets suggested have been broad in nature but have largely concentrated on national averages. This paper seeks to marry this approach with the EU's traditional focus on regional cohesion, by developing regional indicators of well-being and exclusion for EU countries. It draws on a range of sources to put together indicators in five dimensions of well-being: material wellbeing, health, education and participation in two spheres - productive and social. It explores, first, how far national indicators disguise geographical inequalities in these different dimensions; and second, the extent to which regional performance differs according to which dimension is being examined. At the same time, the paper draws attention to the limits of currently available data, in light of the fact that one key aspect of the Lisbon summit conclusions was a commitment to the collection of better data on poverty and social exclusion in the EU."

302. Understanding Growth and Inequality Trends: The Role of Labour Supply in the U.S.A. and Germany, by Lars Osberg, April 2002.

"Within the OECD, there are significant differences in the trend and level of average work hours. [For example, from 1980 to 2000, average working hours per adult (ages 15-64) rose by 234 hours in the USA to 1476 while falling by 170 hours in Germany, to 973]. Since these trends appear to be continuing (Merz, 2000) growth in per capita GDP may be a poor indicator of trends in average economic well-being. To the extent that rising inequality in money income is driven by changes in the distribution of working hours, trends in money income inequality may misrepresent trends in the inequality of economic well-being. Recently Bell and Freeman (2000) have argued that greater inequality in the USA provides the incentive that motivates greater work effort by Americans. However, changes in working hours, and differentials in working hours across countries, have been quite concentrated in particular demographic groups and largely arise from differences in labour force participation. [For example, the paid working hours of women in the USA have risen significantly, while German men aged 55 to 64 have reduced their labour force participation.] Except for the extreme lower tail, the distribution of working hours of prime age males is essentially identical and constant in Germany and the US. - which implies that the greater inequality of earnings in the USA has no noticeable incentive effect on the labour supply of workers."

301. Strong Families or Patriarchal Economies? "Familial" Labor Markets and Welfare States in Comparative Perspective, by Mary C. King, January 2002.

"Strong family networks in Southern Europe are often credited with protecting people from poverty in circumstances where both employment and social benefits are limited. However it may well be that the economies frequently described as "familial" are more strongly patriarchal than other market economies, concentrating income in the hands of older, married men through both the labor market and welfare state, and creating the combination of weak welfare states, strong family networks, low female labor force participation, and the concentration of unemployment among young men. This paper uses Luxembourg Income Study micro-data to assess the degree to which the "familial" economies of Italy and Taiwan may be said to be more patriarchal than those of OECD countries with liberal, conservative and social democratic welfare regimes. A picture of two types of patriarchal economies emerges. The first is the familial economy and the second is the liberal, American economy where weak social welfare programs are combined with low wages for women and worsening market prospects of the young."

No. 300. Education, Economic Growth and Personal Income Inequality Across (Rich) Countries, by Günther Rehme, April 2002.

"This paper offers a supply-side explanation of the variation in long-run growth and inequality across countries. In the model education simultaneously affects growth and income inequality. More human capital may increase or decrease growth but also measured inequality. In contrast to some recent contributions the paper uses consistently defined data showing that higher (within-country) inequality is associated with lower growth in rich countries, even when controlling for initial income, education or fertility. Furthermore, (rich) countries that have a more productive education sector appear to have lower inequality. It is argued that institutions and policies which generate more high-skilled people or enhance the productivity of the education sector may affect long-run income equality and growth in a positive way."

No. 299. (Re-)Distribution of Personal Incomes, Education and Economic Performance Across Countries, by Günther Rehme, March 2002.

"In many OECD countries income inequality has risen, but surprisingly re-distribution as well. The theory attributes this partly to the redistributive effect of education spending. In the model income inequality and growth depend in an inverted U-shaped way on education. To maintain a given level of human capital it is shown that a less efficient schooling technology requires more resources, which lowers pre-tax and post-tax income inequality as well as growth. Using consistently defined income data from the Luxembourg Income Study suggests that there is a negative relationship between growth and income inequality in rich countries. It is argued that using some unadjusted inequality measures in growth regressions may yield estimates that are biased upwards. The evidence suggests that a rich country would raise growth with lower pre-tax and post-tax inequality if it spent more on education."

No. 298. Helping Mothers Escape Poverty: As European Policy Shows, Better Wages and Generous Supports are a Better Cure than Promoting Marriage, by Karen Christopher, April, 2002.

"The belief that single motherhood is the pre-eminent cause of poverty in America has become a bipartisan cliché. The welfare reform enacted in 1996 was designed, among other things, to discourage single parenthood and to promote marriage. Yet a look at the experiences and policies of other nations suggests a more complex story of the causes and cure of poverty. Evidence from Europe shows that the remedy is increasing the economic resources available to low-income families-through better paying jobs that relieve poverty directly and social supports that reconcile paid employment with reliable parenting."

No. 297. Intra-industry Trade between European Union and Transition Economies: Does Income Distribution Matter?, by Hubert Gabrisch and Maria Luigia Segana, March 2002.

"EU-TE trade is increasingly characterised by intra-industry trade. For some countries (Czech Republic), the share of intra-industry trade in total trade with the EU approaches 60 percent. The decomposition of intra-industry trade into horizontal and vertical shares reveals overwhelming vertical structures with strong quality advantages for the EU and shrinking quality advantages for TE countries wherever trade has been liberalised. Empirical research on factors determining this structure in an EU-TE framework has lagged theoretical and empirical research on horizontal trade and vertical trade in other regions of the world. The main objective of this paper is, therefore, to contribute to the ongoing debate over EU-TE trade structures, by offering an explanation of intra-industry trade. We utilize a cross-country approach in which relative wage differences and country

size play a leading role. In addition, as implied by a model of the product-quality cycle, we examine income distribution factors as determinates of the emerging EU-TE structure of trade flows. Using OLS regressions, we find first, that relative differences in wages (per capita income) and country size explain intra-industry trade, when trade is vertical and completely liberalized and second, that cross country differences in income distribution play no explanatory role. We conclude that if increasing wage differences resulted from an increasing productivity gap between high-quality and low-quality industries, then vertical structures will, over the long-term create significant barriers for the increase in TE incomes and lowering EU-TE income differentials."

No 296. Cross-Country Inequality Trends, by Daron Acemoglu, March 2002.

"The economics profession has made considerable progress in understanding the increase in wage inequality in the U.S. and the UK over the past several decades, but currently lacks a consensus on why inequality did not increase, or increased much less, in (continental) Europe over the same time period. I review the two most popular explanations for these differential trends: that relative supply of skills increased faster in Europe, and that European labor market institutions prevented inequality from increasing. I argue that these two explanations go some way towards accounting for the differential cross-country inequality trends, but do not provide an entirely satisfactory explanation. In addition, it appears that relative demand for skills increased differentially across countries. Motivated by this reasoning, I develop a simple theory where labor market institutions creating wage compression in Europe also encourage more investment in technologies increasing the productivity of less-skilled workers, thus implying less skill-biased technical change in Europe than in the U.S."

No. 294. The LIS/LES Project: Overview and Recent Developments, by Timothy Smeeding, January 2002.

"The Luxembourg Income Study (LIS) project is one of the oldest and best-known examples of crossnational social science infrastructure. Some 25 nations and 20 sponsors team together to provide internet accessible, privacy-protected, household income microdata to over 400 users in 30 nations. The project is financed by annual contributions by 16 nations' National Science Foundations and/or National Statistical Offices. One of the most crucial pieces of the LIS structure is the source and type of data that it offers to its users. This paper describes these data, both for income (LIS) and labor force data (LES), where they are obtained, harmonized, and made available. It presents a critical discussion of where the project is today and where and how international data collection efforts can improve upon both the quality of income data and its dissemination to qualified researchers. The paper also explains the benefits to countries such as Japan for joining the LIS project."

No. 292. Exploring the Subnational Dimension of Income Inequality: An Analysis of the Relationship Between Inequality and Electoral Turnout in the Developed Countries, by Vincent A. Mahler, January 2002.

"This paper offers an exploratory analysis of the subnational dimension of income inequality, using data from the Luxembourg Income Study. The paper undertakes two basic tasks. First, it describes the results of calculations on household-level income data that produce indicators of intra- and inter-household inequality for 191 regions in 12 developed countries for the late 1980s and early 1990s, and for 149 regions in 8 countries for the mid-1990s. Second, the paper demonstrates the value of regional analysis by re-examining the relationship between electoral turnout and income inequality, an important

substantive issue which has heretofore been explored almost entirely at the national or individual level but upon which regional-level analysis can shed valuable light."

No. 289. Low Incomes in Agriculture in OECD Countries, by Yasuhiko Kurashige and Bong Hwan Cho, December, 2001.

"This study examines low income in agriculture. It uses microeconomic data and provides an analysis of the incidence of low incomes in farm households compared to other households. Social security policies as they affect agricultural households are described and the impact of taxes and transfers are examined for both farm and non-farm households by comparing incomes before and after tax and social transfers."

No. 287. Caregiving, Welfare States and Mothers' Poverty, by Karen Christopher, November 2001.

"I begin with a review of the literature that considers the gendered assumptions upon which many welfare states base their social policies. Next I present my research questions, discuss data and methods, and present analyses of how welfare states affect the poverty rates of mothers, single mothers, and other citizens in nine Western nations (Australia, Canada, Finland, France, Germany, the Netherlands, Sweden, UK, and US). The analyses show the extent to which social assistance programs reduce mothers' and single mothers' poverty rates-in an absolute sense, and also how welfare states reduce their poverty rates relative to the poverty rates of other groups (such as female non-mothers or non-single mothers). I find that the welfare states most representative of the "male breadwinner" model (Germany and the Netherlands) are problematic not only with their gendered assumptions about women's carework; compared to other countries, they also do less to reduce mothers' poverty rates relative to those of female non-mothers and men. In other words, in Germany and the Netherlands, many social policies assume that mothers are primary caregivers, but their social assistance programs fail to lower mothers' poverty rate relative to those of other citizens. I conclude with the implications of these findings for mothers' economic dependence on male partners. First, I present a brief discussion of the theoretical literature on the gendered nature of welfare states."

No. 286. Welfare State Regimes and Mothers' Poverty, by Karen Christopher, November 2001.

"In this paper I assess the extent to which welfare states reduce poverty among single mothers and all mothers. I focus on two different typologies of welfare states. One identifies the gendered assumptions underlying social policies, while the other focuses on how welfare states and labor markets affect class inequality. Using data from the Luxembourg Income Study, I show how tax and transfer systems and employment supports in nine Western nations affect the poverty rates of single mothers and all mothers vis-à-vis other groups. I find that particularly in the Scandinavian nations, and to a lesser extent in France, the Netherlands and U.K., the tax and transfer system, employment supports, or a combination of the two allow most single mothers to form autonomous households that escape poverty. I conclude by discussing how my findings speak to the different typologies of welfare state regimes."

No. 285. Poorer than Women in Other Affluent Nations?, by Karen Christopher, November 2001.

"U.S. women have higher poverty rates than women in other affluent nations. In this paper I attempt to explain this disparity by examining the effect of single motherhood, employment, and social assistance on women's poverty. With cross-national comparisons of quantitative data, I find that the relatively high rate of single motherhood among U.S.

women is not a main cause of their high poverty rates. Compared to their counterparts in other Western nations, U.S. women, mothers and single mothers are among the most likely to earn poverty wages. In addition, U.S. social assistance programs are the least effective in reducing poverty. I conclude with the policy implications of my findings, focusing on strategies to ameliorate the high poverty rates of U.S. women and mothers."

No. 283. Love and Money: A Theoretical and Empirical Analysis of Household Sorting and  
"This paper examines the interactions between household matching, inequality, and per capita income. We develop a model in which agents decide whether to become skilled or unskilled, form households, consume and have children. We show that the equilibrium sorting of spouses by skill type (their correlation in education) is increasing as a function of the skill premium. In the absence of perfect capital markets, the economy can converge to different steady states, depending upon initial conditions. The degree of marital sorting, wage inequality, and fertility differentials are positively correlated across steady states and negatively correlated with per capita income. We use household surveys from 34 countries to construct several measures of the skill premium and of the degree of correlation of spouses' education (marital sorting). For all our measures, we find a positive and significant relationship between the two variables."

No. 282. The income sources of single parents: A comparative analysis, by Mia Hakovirta, November 2001.

"The aim of this article is to examine the different income sources of single parents using the method of the income packages. The concept of income package highlights the importance of both the source and the level of income of single parent families in different welfare states. These potential sources of income are central when analysing the nature of support offered by the welfare state to single parents. This article attempts to give answer to the following questions: 1. Is it the case that the degree to which single parents participate in paid employment influences their income packages? In those countries where paid employment is common among single parents, is the main component of their income packages income from work? In contrast, in those countries where paid employment is rare among single parents, are incomes mainly derived from social transfers? 2. How has the income sources of single parents changed during the economic downturn in some countries during the 1990s? Has the dependency on state benefits increased and the amount of income from employment decreased as a result of a weakened labour market position among single parents? The study focuses on the turn of the decade (namely 1983-86 and 1991-95) when social policy was reformed in many countries. The countries selected for this study are Australia, Britain, the US, the Netherlands, Germany, Norway, Finland and Denmark. The article starts with an overview of the different work requirements of single parents across countries. This serves as a platform for empirical analysis on income packages. Then the changes in labour market participation rates of single parents are studied. This is followed by a study of the income packages and income levels of single parents. The article concludes with a discussion of the main research findings."

No. 281. Economic Distress and Political Isolation in Western European Regions, by David K. Jesuit, August 2001.

"This paper examines the relationship between regional or "contextual" poverty, income inequality and unemployment and individual political participation in the mid-1990s for the following Western European countries: Belgium, France, West Germany, Italy, Spain, and the United Kingdom. This research is based on the notion that there are "concentration effects" of poverty and unemployment that negatively affect the regional

networks and structures facilitating individual political and economic participation (see Wilson, 1987; Cohen and Dawson, 1993). In exploring this connection, I construct regional poverty rates and inequality scores (the ratio of household income at the ninetieth and the tenth percentiles of the distribution) for these countries by aggregating the individual-level data made available through the efforts of the Luxembourg Income Study (LIS). Regional unemployment figures are from Eurostat (2000). I predict individual political participation in national elections and in the 1994 European Parliamentary election in a binary logistic regression analysis controlling for age, education, gender, individual household income and individual unemployment using data from the Eurobarometer (1994). I find evidence that individuals are less likely to vote in regions with higher levels of poverty and income inequality even beyond their individual economic and social circumstances. In sum, this research suggests that there are political consequences associated with regional economic distress that might threaten the maintenance of democracy and European enlargement in Europe."

No. 280. The Decline of the Middle Class: An International Perspective by Steven Pressman, October 2001.

"Did the US middle class benefit from the 1990s economic boom? Did this halt or reverse a middle class decline from the previous decade or more? Is a shrinking middle class strictly a US phenomenon with domestic causes, or is a problem that has plagued most of the world economy? This paper will explore these issues. Section II describes previous attempts at defining the middle class. Section III then examines four possible causes of the declining middle class--changing demographic factors, structural economic changes, macroeconomic conditions, and a more Keynesian explanation which depends on the importance of government spending. Section IV describes the Luxembourg Income Study (LIS), which will be used to measure the middle class and to seek the cause of middle class decline in the US and other countries. Section V provides measurements of the middle class for a number of countries using the LIS. Because of the controversy surrounding definitional matters, several different definitions of "the middle class" are employed. Using the LIS, section VI empirically examines the four different explanations for the shrinking middle class set forth in section III. Finally, we conclude with some policy implications."

No. 279. The Welfare State and Gender Equality by Evelyne Huber, John D. Stephens, David Bradley, Stephanie Moller, and Francois Nielsen, September 2001.

"This paper examines the determinants of several indicators of economic well being of women. The feminist literature has suggested that women's well being is best measured through both the economic status of women and power relations vis-à-vis men. Barbara Hobson has proposed that the percentage of single mothers in poverty and married women's income as a proportion of both spouses' income effectively measure economic status and power relations. The dependent variables are calculated from micro data available in the Luxembourg Income Survey (LIS) archive, which now contains enough countries and time points to allow multivariate statistical analysis with a sufficiently large number of independent variables to test a broad range of hypotheses on the determinants of gender egalitarian outcomes while controlling for other possible determinants. In the case of poverty among single mothers, the LIS data also allow us to go beyond Hobson's single indicator to investigate the extent to which government action is responsible for poverty reduction. Hence, we analyze 4 dependent variables: 1) pre tax and transfer poverty rates among single mothers, 2) reductions in single mothers' poverty due to taxes and transfers, 3) post tax and transfer poverty rates among single mothers, and 4) women's wages relative to spouses' wages. In these analyses, we test feminist theories along with

theories of economic structure, labor market institutions, state structure and political power."

- No. 278. The State and Poverty Alleviation in Advanced Capitalist Democracies by Stephanie Moller, David Bradley, Evelyne Huber, Francois Nielsen, John D. Stephens. August 2001.

"We analyze the impact of the state on the incidence of poverty in the working-age population of 14 advanced capitalist democracies between 1970 and 1997 using an unbalanced panel design. We utilize poverty measures based on micro-level data from the Luxembourg Income Study in conjunction with pooled time series data from the Huber, Ragin and Stephens (1997) database. We argue that economic factors including de-industrialization and unemployment largely explain pre-tax, pre-transfer poverty rates of the working age population in advanced capitalist states. These rates, however, are theoretical as advanced democracies redistribute resources through taxes and transfers. We show that the extent of redistribution (measured as poverty reduction via taxes and transfers) is explained directly by welfare state generosity as well as constitutional structure (number of veto points) and the strength of the left, both in unions and in government.

- No. 277. Stuck in the Tunnel: Is Globalization Muddling the Middle Class? by Nancy Birdsall, Carol Graham, and Stefano Pettinato, August 2000.

"Our objective in this paper is to assess how middle-income groups are faring with the global turn to the market. We suggest some simple measures of the middle-the size and income shares of households around the median (75/125%)-and their income status relative to wealthier counterparts. Our results point to genuine distributional stress for middle-income households, as well as public perceptions of such stress. They also suggest the need for new measures to capture distributional trends that are masked by aggregate measures. We posit that the fate of those in the middle merits new attention, as their political support and economic participation are critical to sustainable, market-oriented growth and poverty reduction in the long-term."

- No. 276. Measuring Welfare State Performance: Three or Two Worlds of Welfare Capitalism? by Paul de Beer, Cok Vrooman, and Jean Marie Wildeboer Schut, May 2001.

"This paper examines the well-known classification of welfare regimes by Esping-Andersen (1990). First, the institutional characteristics of eleven welfare states are examined by means of a principal components analysis. This analysis confirms the existence of three types of welfare state, viz. the liberal welfare state (USA, Australia, United Kingdom and Canada), the social-democratic welfare state (Sweden, Denmark, Norway) and the corporatist welfare state (Germany, Belgium, France). The Netherlands, however, turns out to be a hybrid kind of welfare state, somewhere in between the social democratic and the corporatist welfare states. Next, we examine whether these three types of welfare state correspond to a threefold classification in terms of the traditional protective functions of the welfare state. By using LIS-data from the first half of the 1990s we compare eleven welfare states with respect to the degree of income levelling by the social security and tax system, the rate of inequality of disposable household incomes, the level of social welfare (interpreted as a combination of income level and income equality) and the poverty rate. We find that there is indeed a clear dividing line between the liberal welfare states on the one hand and the social-democratic and corporatist welfare states on the other. The liberal welfare states perform consistently worse on the indicators for income levelling, income (in)equality and poverty, but not with respect to the level of social welfare. There is however no consistent difference in performance

between the social-democratic countries and the corporatist countries. There rather seems to be a combined group of continental European countries, existing of both social-democratic and corporatist welfare states and the hybrid Netherlands, that achieve roughly comparable results in terms of income protection by using quite different institutions. Hence, although there are indeed three types of welfare state as far as institutional arrangements are concerned, it is better to discern only two types of welfare state with respect to income (re)distribution, social welfare en poverty."

No. 275. Income Distribution and Convergence in the Transition Process, by Jens Hölscher, April 2001.

"The aim of this study is to clarify, whether and where the widespread opinion that systemic change from socialism to capitalism went along with dramatically rising inequality is true and how income distribution does affect the overall growth performance of transition countries. The countries under review are: the Czech Republic, Hungary, Poland, and Russia. The findings are analysed against the background of convergence or divergence respectively vis-à-vis the European Union (EU) level of income and income distribution. Here Germany, being the neighbouring country and biggest EU economy, is taken as benchmark. For the Czech Republic, Hungary and Poland it can be shown that income distribution remained relatively stable before and throughout the transition period on the basis of so far unpublished data from the Luxembourg Income Study database. Russia however displays a sharp increase in income distribution. These results are illustrated by Lorenz curves and underpinned by developments in functional income distribution and social transfers. An attempt is made to locate these transition countries on a stylised Kuznets curve and further qualitative factors referring to growth and equality are considered."

No. 274. Poverty Among Senior Citizens: A Canadian Success Story in International Perspective, by Lars Osberg, September 2001.

"Canada was very late in establishing a comprehensive retirement security system - lagging roughly thirty five years after the US built its Social Security system and about eighty years after Bismark first established a state funded pension system in Germany. As a consequence, the reduction in income poverty among senior citizens is a fairly recent, and very strong, trend in income distribution data in Canada. Section 1 therefore begins by describing the long run trend in poverty among senior citizens (those aged 65 and over) in Canada, and presents the "Poverty Box" to compare the rate and depth of poverty over time, before and after taxes and transfers, among both seniors and the younger population. Section 2 discusses some of the problems of poverty measurement that are peculiar to the over 65 population. Section 3 uses Luxembourg Income Study data to compare the income changes of Canadian, American, Swedish and British households as they move into their retirement years, with particular emphasis on the income of poorer households. Section 4 concludes with some discussion of the challenges facing the design of retirement security."

No. 272. Trends of Poverty and Income Inequality in Cross-National Comparison, by Veli-Matti Ritakallio, August 2001.

"Comparative research of poverty, income inequality and the effectiveness of income transfer systems has flourished during the last two decades, largely owing to the contribution of the Luxembourg Income Study project. So far, however, the majority of comparative analyses have been based on a single year. For this paper we analysed cross-national patterns of poverty and income inequality with a special emphasis on their



stability. We studied trends of poverty and income inequality between 1980 and 1995 in nine countries representing three different ideal types of social policy. The differences in poverty across the countries studied corresponded with the respective models of social policy more clearly in the mid-1990s than they did 15 years earlier. Generally speaking, the poverty rate is slightly under 5% in the Nordic countries, around 7.5% in Central Europe, 10% in Canada, 12.5% in the UK, and as high as 17.5% in the USA. All the countries included in the analysis share the trend that the primary distribution - based on the market income - has become less equal than before. In each country, the proportion of population being able to gain subsistence from the market alone has decreased continuously. This trend is significantly more remarkable than the change in actual poverty, which means that the absolute poverty alleviating impact of the income redistribution systems became stronger in these countries during the period 1980-1995. The analysis of income inequality produced a basically similar picture of the differences across the countries and the models of social policy as the analysis of poverty did. In comparison to poverty, however, the change is generally speaking less extensive. The Nordic countries, in particular, have been capable of responding to the rise of the market income differences so that the income inequality for disposable incomes has practically not increased at all. Canada shows a parallel trend. The USA and, in particular, the UK represent the opposite development. We also analysed trends of poverty in various population groups. It was found that by 1995 poverty had turned into a risk of young adults in all the countries studied. The poverty rate increased for the age group 18-30 years in all countries, while an opposite trend was observed among the elderly, in particular those aged over 65. Poverty rate among the

No. 270. Income Packaging and Economic Well-Being at the Income Last Stage of the Working Career, by Martin Rein and Heinz Stapf-Finé, April 2001.

"First considered, at a point in time, is how cross-country differences in the mix of income sources are related to three measures of economic well-being. Poverty, defined as 50 percent of mean-adjusted household income; relative adjusted disposable income of aged households with heads over 55 years of age relative to those under 55; and inequality as measured by the gini coefficient. Second, the broader question, namely that if the institutions providing social benefits are changing, over time, what is the likely redistributive impact of this development is addressed. The analysis focuses on income sources in the last stages of the working career. Starting at age 55, four different five-year age groups are identified to describe the last stage of the working career. LIS data is used to analyze the experience of ten countries: Australia 1994, Canada 1997, Finland 1995, Germany 1994, Netherlands 1994, Norway 1995, Sweden 1995, Switzerland 1992, United Kingdom 1995 and United States 1997. Data for Finland are available, but difficult to interpret, since the mandated earnings-related public social security is administered by a private life insurance company making the distinction between public and private especially difficult to draw. These are the only countries which had usable data on occupational pensions at the time of this first analysis. In this analysis we were able to include trends over time, broadly from 1980 to 1995, but actual available years varied by country."

No. 269. Income Inequality, the Psycho-social Environment and Health Comparisons of Wealthy Nations, by John Lynch, George Davey Smith, Marianne Hillemeier, Mary Shaw, Trivellore Raghunathan, and George Kaplan, January 2001.

"Is the extent of income inequality associated with average population health differences between wealthy countries? And, are between-country variations in indicators of the psychosocial environment associated with between-country health differences? This

study carries out the most complete international examination to date of associations between income inequality and low birth weight, life expectancy, self-rated health, and age- and cause-specific mortality among countries providing data in Wave III of the Luxembourg Income Study (LIS). The LIS is widely regarded as the premier study of income distribution in the world. The study also examines how aspects of the psychosocial environment such as distrust, belonging to organizations, volunteering (all proposed as measures of social capital) and perceived control over one's life circumstances were associated with between-country variations in health. Included is data on belonging to trade unions and the proportion of women elected to national government, as indicators of class relations within the labour market and broader sociopolitical participation of women."

No. 267. Impact of Dual Careers on Average Family Size: Comparison of 11 Countries, by Lynn Prince Cooke, June 2001.

"The dissolution of the sexual division of labour remains, in Hochschild's (1989) words, a "stalled" revolution. While more and more married women participate in paid work, men have not equalized the division of labour by appreciably increasing the time they devote to unpaid domestic tasks. The state can assist in managing this double time burden on women by enabling families to externalize a portion of it via social provisions supporting maternal employment. This paper presents a formal model of family time and resource distribution, women's constraints therein, and the impact the market or social provisions can have in alleviating the strains between production and reproduction. The extent to which the externalization of the burden of care maintains both female labour force participation and family size is then analyzed for 11 countries in the mid-1980s and mid-1990s using data from the Luxembourg Income Study."

No. 266. Comparing Living Standards Across Nations: Real Incomes at the Top, the Bottom and the Middle, by Timothy M. Smeeding and Lee Rainwater, revised February 2002.

"What is the distribution of real income within and across countries? The purpose of this paper is to try to answer this question by presenting estimates of the real purchasing power (PPP) parity-adjusted distribution of disposable income for a number of countries. The major tool for converting (relative) nominal national incomes into real incomes are "purchasing power parities" or PPP's. While these PPP's are designed for aggregate macroeconomic statistics, not for microdata-based measures of disposable income, careful comparisons can yield approximate answers to the questions posed. In fact, we find that comparisons of "real" economic well-being or "living standards" look very different across countries depending on where in the income distribution one decides to measure them: top, bottom, or middle. The next section of the paper introduces the issue by defining terms, measurement issues, and data. Next we move to comparing macroeconomic "average" incomes and microdata-based "relative" incomes across countries, before moving to PPP-adjusted distributional measures of living standards for all households and for households with children. We include children as a separate group here because most analysts argue that children are a particularly scarce resource in modern rich societies and that nations may be judged by the way they treat their children."

No. 265. Distribution and Redistribution in Post-Industrial Democracies, by David Bradley, Evelyn Huber, Stephanie Moller, Francois Nielsen, and John Stephens, May 2001.

"This paper analyzes the processes of distribution and redistribution in post-industrial democracies. We combine a pooled time series data base on welfare state effort and its determinants assembled by Huber, Ragin, and Stephens (1997) with data on income

distribution assembled in the Luxembourg Income Survey (LIS) archive. In the case of the LIS data, we re-calculate the micro-data in order to remove the distorting influence of pensioners on pre-tax, pre transfer income distribution. We examine the determinants of three dependent variables: pre-tax, pre-transfer income inequality, post- tax, post transfer income inequality and the proportional reduction in inequality from pre to post tax and transfer inequality. We hypothesized that pre-tax, pre-transfer income inequality would be determined by labor market institutions (union density, bargaining centralization), labor market conditions (unemployment), and economic structures (post-industrialism, third world imports). We hypothesized that the reduction in inequality would be determined by political configurations: directly by left government and indirectly via their effect on welfare state generosity by left government and Christian democratic government. Post tax and transfer income inequality was hypothesized to be a product of the combination of labor market variables and political variables. The results broadly confirms our hypotheses and the overall fit is very good.

No. 264. Rethinking the Sociological Measurement of Poverty ,by David Brady, May 2001.

"Despite serious methodological problems, quantitative studies of poverty by U.S. sociologists predominantly rely on the official U.S. measure. After reviewing the shortcomings of the official measure, this paper examines several econometric and theoretical advances in poverty measurement. In turn, I argue than an ideal measure of poverty should: a) measure comparative historical variation effectively; b) be relative rather than absolute; c) conceptualize poverty as social exclusion; d) integrate the depth of poverty and the inequality among the poor; and, e) assess the impact of taxes, transfers and non-cash benefits. Next, this paper evaluates sociological studies published in the 1990s for their consideration of these criteria. Due to sociology's neglect of these criteria, this paper develops three alternative poverty indices: the Interval Measure, the Ordinal Measure, and the Sum of Ordinals Measure. Finally, with the Luxembourg Income Study, I examine the empirical patterns with these three measures, across advanced capitalist democracies from 1967 to 1997. Estimates of these poverty indices are made available for future research."

No. 263. Income Maintenance in Old Age: What Can be Learned from Cross-National Comparisons, by Timothy M. Smeeding with assistance from James Williamson, May 2001.

"The purpose of this paper is to review the recent evidence on the antipoverty effectiveness and other characteristics of income maintenance systems for the elderly in the rich nations of the world. As we move toward Social Security reform in the United States, we do so knowing that a comparatively high fraction of our older population experience, income poverty compared to their counterparts in other nations. Strategies to reduce the future Social Security deficit need to take into account the way that program changes affect poverty and benefit adequacy as well as fiscal soundness. Other nations offer approaches which would help us to achieve lower poverty rates while also providing fiscally responsible solutions to the future public costs of an aging society through reforms to the Social Security system".

No. 261. Yet the Poorest, Relatively Speaking: Italian Poverty Rates in International Perspective, by Kristian R. D. Orsini, March 2001.

"Few works more than Esping-Andersen's 'Three Worlds of Welfare Capitalism' have drawn researchers' attention on institutional features that characterize the diverse typologies of welfare regimes; yet the impact of the different institutional settings on income distribution has mostly been taken for granted. This paper uses cross nationally

comparable data from the Luxembourg Income Study (LIS) to assess the performance of Italian Welfare against that of other countries of the "conservative" cluster (Germany, France and the Netherlands), as well as countries of the "liberal" (United Kingdom) and "social-democratic" (Sweden) regime. The results reveal that the institutional setting is strongly correlated with the antipoverty efficiency of social transfers (indeed in the direction one would expect), with the significant exception of Italy, whose performance approaches that of the United Kingdom. The reason for such performance must be found within the structure of social transfers. Italy's extremely generous pension system has in fact crowded out any form of support directed to younger families, both in child support or means-tested assistance. While two-earners-households find a good hedge against poverty risks in market income, one earner household shaped around the "single male breadwinner model" face considerable poverty risks, which increase linearly by a factor of 10% according to the number of children in the household. As a consequence of the greater diffusion of such family model in Italy, child poverty rates tend to be double and almost ten times higher than the Swedish ones, approaching the British standard (almost 20%). Evidence also shows that what prevents a greater diffusion of the double income household is probably not as much related to cultural inheritance as to concrete difficulties encountered by women in young households combining parental and working responsibilities. In higher quintiles of disposable income, where services to families may be easily acquired on the market, female employment rate tend to be almost 3 times the average rate, approaching the Swedish rate. With respect to the foreseen tendencies towards higher wage dispersion (concentrated in the bottom part of the distribution), Italian welfare system (with its strong bias on old age pensions and the total lack of services to families) appear particularly unstable, as increased wage flexibility may only be acquired at the cost of falling deeper in the "fertility trap", a problem shared by most Europe's continental countries, but which has taken a dramatic relevance in the case of Italy.

No. 260. SOR Models and Ethnicity Data in LIS and LES: Country by Country Report, by Paul Lambert and Roger Penn, April 2001.

"This research considers the idea that a single metric expressing distance between social groups may be an adequate tool for investigating the relationship between ethnic/nationality minority group membership and social stratification. A Stereotyped Ordered Regression (SOR) model is proposed as a methodology for deriving this metric, and this paper considers the role of SOR models for the variety of countries with appropriate data made available by the Luxembourg Income and Employment studies (LIS and LES). In particular, by making the referents of this metric relatively consistent between different countries, it is suggested that a cross-nationally comparable representation of ethnic/nationality group membership can be derived which reduces the difficulties of international comparative research on ethnicity. Section one of this paper deals with three introductory issues : the clarification of the proposed methodology; the possibilities for ethnicity analyses as available from the LIS/LES datasets; and the theoretical framework used to draw substantive cross-national comparisons. Section two comprises a summary of the descriptive patterns observed for selected indicators of social stratification by ethnic / nationality groups for each country, and the presentation of the SOR orderings derived from them. In section three, the possibilities for using those SOR orderings in analytical human capital style models of social stratification are considered. Lastly in section four some of the more prominent conclusions are drawn together.

No. 259. Holes in the Safety Net? Social Security and the Alleviation of Poverty in a Comparative Perspective, by Christina Behrendt, December 2000.

"Although highly-developed welfare states in the industrialised world spend a large share of their income on social security, poverty and social exclusion have not been eradicated. The persistence of income poverty in industrialised welfare states casts serious doubt on the effectiveness of social security schemes in alleviating poverty. This paper explores the poverty-alleviating power of social security in a comparative perspective on the basis of house-hold micro-data from the Luxembourg Income Study. Do higher levels of social spending necessarily lead to a lower level of poverty, or does the effectiveness of poverty alleviation rather depend on how the money is spent? Special emphasis is placed on minimum income schemes. Which institutional structures have proved to guarantee an effective alleviation of poverty, and which ones are rather ineffective in this respect? What can be learned for future reforms?"

- No. 258. Is There Income Poverty in Western Europe? Methodological Pitfalls in the Measurement of Poverty in a Comparative Perspective, by Christina Behrendt, December 2000.

"Comparative poverty research flourishes, especially since comparable income data are easily available through the Luxembourg Income Study. However, a number of methodological pitfalls in comparative poverty research are often overlooked. There is a vast amount of literature on sensitivity of measured results to the choice of income definitions, poverty lines, and equivalence scales, but other effects have been rather neglected in comparative poverty research. How does the underlying survey design affect results and cross-national comparability? Are low-income strata adequately represented in those surveys, is there a systematic bias of response rates among those groups, and how does it vary across countries? In addition, some types of income - such as means-tested benefits, being particularly relevant for poverty research - tend to be under-reported in some surveys. This paper uses the data available in the Luxembourg Income Study for three countries - Germany, Sweden and the United Kingdom - to exemplify the limited comparability of widely-used income data used in poverty research. In a first step, the paper summarizes the available evidence on methodological problems caused by differing data sources and survey designs, household definitions, and flawed reporting of some income components. Especially means-tested benefits tend to be under-reported in income surveys; so income for poverty-prone groups of the population may be underestimated, and, by this token, income poverty may possibly be overestimated. In a second step, this issue is illustrated by a simple simulation exercise: Entitlements to means-tested benefits are imputed for each household in the sample, based on the institutional regulations in each country. Compared to actual poverty rates in the original sample, imputed poverty rates are markedly smaller, if not reduced to zero. Even if one accounts for an incomplete take-up of benefits, a large gap between actual and simulated poverty rates still remains, largely caused by problems in survey design. The paper concludes with a number of recommendations for improving income surveys from the perspective of comparative poverty research."

- No. 257. The Effects of Children on Household Income Packages: A Cross-National Analysis, by Dennis H. Sullivan & Erin L. Todd, May 2001.

"This paper presents stylized facts about the effect of children on household disposable income and its components (the "income package") in nine OECD countries, employing data from the Luxembourg Income Study database. We find that cross-national differences in the impact of children on household disposable income are substantial and systematic. Speaking generally, we find that cross-national differences in the impact of children on disposable income are determined largely by the differences in the impact of children on household earnings, particularly women's earnings. We also find that

countries with a generous fiscal treatment of households with children are also countries in which the effect of children on earnings is most negative."

No. 256. The Median Voter Hypothesis, Income Inequality and Income Redistribution: An Empirical Test with the Required Data, by Branko Milanovic, January 2000.

"The median voter hypothesis has been central to an extensive literature on consequences of income distribution. For example, it has been proposed that greater inequality is associated with lower growth, because of the greater redistribution that is sought by the median voter when income distribution is less equal. There have however been no proper tests of the median-voter hypothesis concerning redistribution, because of previous absence of data on factor income distribution (that is, incomes before taxes and transfers) across households, and thus on the gains by poorer households from redistribution. The study reported in this paper is based on the required data, with 79 observations drawn from household budget surveys from 24 democracies. The results strongly support the conclusion that countries with greater inequality of factor income redistribute more to the poor. This is so even when we control for the share of the elderly in the population and for pension transfers. The evidence that the median-voter hypothesis adequately describes the collective-choice mechanism is however considerably weaker. Although middle-income groups gain more/or lose less through redistribution in countries where initial (factor) income distribution is more unequal, this regularity is all but lost when, by excluding pensions, we look only at explicit redistributive social transfers from which the middle classes contemporaneously gain little. This leaves us searching for alternative explanations: do middle-classes gain from transfers in the long-run even if not contemporaneously?, or is the median voter hypothesis, based on direct democracy, a proper representation of the mechanisms of collective-decision making in representative democracy?"

No. 254. Household Structure and Income Inequality by Andrea Brandolini and Giovanni D'Alessio, March 2001.

"This paper examines the effects of demographic structure on the evolution of inequality in Italy from 1977 to 1995, and on its inequality ranking relative to 11 of the other 14 European Union countries in the mid-1990s. The composition of Italian households was substantially different in 1995 both from that observed in the two preceding decades, and from that recorded in other EU countries. The distance between mean equivalent disposable household incomes in various demographic groups varied significantly over time and between countries. Nevertheless, demographic effects on inequality appear on the whole to be secondary. The following results hold, irrespective of the correction for demographic differences: (1) inequality in the distribution of equivalent disposable incomes between persons showed considerable fluctuations but no particular medium-term tendency in Italy; (2) in the mid-1990s Italy was, together with the United Kingdom, the EU country with the highest inequality, a result which is only partly explained by the regional dualism of the Italian economy".

No. 253. Hours of Paid Work in Dual Earner Couples: The U.S. in Cross-National Perspective, by Jerry A. Jacobs and Janet C. Gornick, March 2001.

" In this paper we examine the hours of paid work of husbands and wives in ten industrialized countries, using data from the Luxembourg Income Study. We present results on the average hours of paid work put in jointly by couples, on the proportion working very long weekly hours, and on gender equality in working time within families. The United States ranks at or near the top on most indicators of working time for couples, because of 1) a high proportion of dual-earner couples; 2) long average work weeks,

especially among women; and 3) a high proportion of individuals who work very long hours. In terms of gender equality, the U.S. ranks above average in paid working time among dual-earner couples with no children, but fares less well among working parents. Finally, we discuss policies and institutions that may help explain the distinctive U.S. results -- namely the long hours and moderate levels of gender equality -- including the regulation of maximum hours, the demand for part-time work, and the public provision of child care".

- No. 252. Changing Income Inequality in OECD Countries: Updated Results from the Luxembourg Income Study (LIS), by Timothy M. Smeeding with assistance from Andrzej Grodner, March 2000.

The purpose of this study is to update the results first presented in 1995 in the OECD Monograph, "Income Distribution in OECD Countries: Evidence from the Luxembourg Income Study" by Atkinson, Rainwater, and Smeeding (1995). Though only five years have passed since the publication of this volume, we are now able to compare the level of disposable income inequality across 20 nations, including Germany, in three separate periods using LIS. Moreover, we are now able to use several sets of national data to assess the changes in inequality that have taken place in recent years. The brief results are that the ranking of nations by the level of inequality at a point in time are more or less the same regardless of the year of comparison from roughly 1980-1997. But large changes in the distribution of income have taken place within many nations, with most finding a higher level of inequality in the mid-to-late 1990s than in the 1980s, and with Western Germany being no exception. Inequality, however, has not risen in Denmark or in Canada over this period, while its rise has slowed in several nations. This suggests that rising economic inequality is not inevitable. Strategies for improving these estimates are also discussed.

- No. 251. Gender equality in earnings at work and at home, by Annemette Soerensen, January 2001.

This paper examines how far Denmark, Finland, Norway and Sweden have achieved gender equality in earnings. These Nordic countries are contrasted with Germany, the Netherlands and the United Kingdom in the mid-1990s, and include some comparisons to the situation in the 1980s. While all these countries have experienced the same general changes in women's roles and positions, when these began and how fast they have progressed vary greatly. There is every reason to expect substantial country differences at the end of the 20th century, and that the four Nordic countries as a group have moved closer to realizing the political goals of gender equality in the labour market and a lessening of women's economic dependence on men. There are three parts to the empirical analysis. The first is an examination of the gender differences in earnings for adults aged between 18 and 60. The second part concerns women's economic dependence on the men they live with and how much having small children increases that dependence. The third part of the analysis takes up the question of how more equality between spouses affects their dependence on each other and the inequality of economic risks.

- No. 250. Procuring Microdata Files for the LIS Project Databank: Progress and Promise, by Timothy M. Smeeding, February 2001.

"The Luxembourg Income Study (LIS) project is one of the oldest and best known examples of crossnational social science infrastructure. Some 25 nations and 20 sponsors team together to provide internet accessible, privacy-protected, household income microdata to over 400 users in 30 nations. The project is financed by annual contributions

by 16 nations' National Science Foundations and/or National Statistical Offices. One of the most crucial pieces of the LIS structure is the source and type of data that it offers to its users. This paper describes these data, how they are obtained, harmonized, and made available. It presents a critical discussion of where the project is today and where and how international data collection efforts can improve upon both the quality of income data and its dissemination to qualified researchers."

No. 249. Gender Agency at the Intersection of State, Market and Family: Changes in Fertility and Maternal Labor Supply in Eight Countries, by Lynn Prince Cooke, January 2001.

"Current debates on the welfare state entail two intertwined questions. First, does a nation have sufficient active labor force participation to maintain the benefits for non-participants? Second, do social provisions exacerbate or attenuate class, ethnic and other distinctions within society? As predominantly structural or institutional debates, these discussions tend to exclude the impact social provisions have on facilitating individual agency among members of social groups. Yet the institutions of state, market and family interact to shape a gender order which specifies the types of social or civil claims that can be made by individuals. The gender order yields the societal boundaries within which agency can be exercised. This paper will present comparative evidence of how the package of social provisions in combination with market factors manifests in women's agency regarding family choices in eight countries. This, in turn, provides material evidence of whether the institutionally-framed gender order encourages gender difference or equity in terms of paid and unpaid work.

No. 248. For Better or for Worse: Economic Positions of the Rich and the Poor: 1985-1995, by Olli Kangas, January 2001.

"In the first section of the study, we analyze the cross-sectional relationship between poverty rates and the income level of the poor. Thereafter, we take a close look at changes in time: how poverty and "richness" rates and changes in the income of the poor and the rich are related to each other. The second part of the paper illustrates how the economic tide has improved the lot of the middle-income earners, the worse-off and the best-off. Have the rich taken all the money and run? Is there anything left for the poor? The last section of the paper discusses the fairness of income distribution and presents some tasks for future research on the topics."

No. 247. User Services and Data Management in the Luxembourg Income Study, by John Coder, September 2000.

"A major goal of the Luxembourg Income Study (LIS) has been to provide researchers with access to information about the social and economic characteristics of households and families for countries throughout the world. Since this information is in the form of data files containing actual observations from household surveys, the researcher does not need to rely on statistical summaries that others have previously created. They can create tabulations and statistical analyses from the survey data that precisely fit their needs and update them easily when new data become available. Further, a system to access these data has been developed which permits researchers to generate statistics from remote locations using email as a mechanism to transmit requests and forward results. Access to these data is, in fact, restricted to this system of remote access because much of the data available through the project has been provided by the member countries with the restriction that they not be redistributed or otherwise copied. The introduction describes the evolution of the techniques and methods used to maintain the databases of household microdata and to provide remote access services to users throughout the world. The



discussion begins with an overview of the system. The final chapter presents results of a recent survey of LIS users."

- No. 246. Educational Attainment and Family Gaps in Women's Wages: Evidence from Five Industrialized Countries, by Erin L. Todd, January 2001.

"This paper employs Luxembourg Income Study data for women in five industrialized countries to answer the following questions: Do family gaps in women's wage vary across levels of education? Does educational attainment help to "insure" a woman against child wage penalties? Cross-national analysis of "family gaps" in women's wages provides clear evidence that wage penalties to motherhood vary significantly in magnitude across countries. Harkness and Waldfogel (1999) estimate these differentials between the wages of mothers and non-mothers for seven industrialized countries. They find that family gaps appear to be largest in Anglo-Saxon countries. The character of our research is primarily exploratory, but some basic conclusions can be drawn from our results. In Canada and the United States, we find that a high educational attainment acts as a "shock absorber," almost eliminating the large negative effects of children on a woman's wages; results for Germany are similar. We find these results to be robust to the inclusion of part-time workers in the sample. We conclude that educational attainment does help to offset the family gaps faced by mothers in some countries."

- No. 244. United States Poverty in a Cross-National Context, by Timothy M. Smeeding, Lee Rainwater, and Gary Burtless, September 2000.

"In this paper we use cross-national comparisons made possible by the LIS to examine America's experience in maintaining a low poverty rate. We compare the effectiveness of United States antipoverty policies to that of similar policies elsewhere in the industrialized world. If lessons can be learned from cross-national comparisons, there is much that can be learned about antipoverty policy by American voters and policymakers. The United States has one of the highest poverty rates of all the countries participating in the LIS, whether poverty is measured using an absolute or a relative standard for determining who is poor. Although the high rate of relative poverty in the United States is no surprise, given the country's well-known tolerance of wide economic disparities, the lofty rate of absolute poverty is much more troubling. After Luxembourg, the United States has the highest average income in the industrialized world. Our analysis of absolute poverty rates provides poverty estimates for 11 industrialized countries. The paper is organized as follows. We begin by reviewing international concepts and measures of poverty as they relate to the main measures of income and poverty used in other chapters of this book. Next we present cross-national estimates of both absolute and relative poverty, concentrating on the latter measures. After examining the level and trend in these rates, we explore some of the factors that are correlated with national poverty rates and examine the antipoverty effectiveness of government programs aimed at reducing poverty. We conclude with a discussion of the policy differences and outcome differences we find, and we consider the implications of our analysis for antipoverty policy in the United States."

- No. 243. Explaining the Gender Poverty Gap in Developed and Transitional Economies, by Stephen Pressman, September 2000.

"This article employs the Luxembourg Income Study (LIS) to compare poverty rates for female-headed households (FHHs) with poverty rates for other households in a number of developed and transitional economies. It then seeks to explain why, in some countries, female-headed households are so much more likely to be poor compared to other families. The next two sections describe the LIS and discuss some of the problems encountered in

measuring poverty. The paper then computes poverty rates in individual countries for female-headed households and for all other households using the LIS database. Given the problems associated with measuring poverty, we present several estimates of poverty for both types of household. Two sections then look at two theoretical explanations for the gender poverty gap-human capital theory and a Keynesian approach that emphasizes the importance of fiscal policy as an antipoverty tool. The last section summarizes the main findings and draws some policy conclusions."

No. 242. International Comparisons of Trends in Economic Well-being, by Lars Osberg and Andrew Sharpe, February 2000.

"This objective of this paper is to develop an index of economic well being for selected OECD countries for the period 1980 to 1996 and to compare trends in economic well being. We argue that the economic well being of a society depends on the level of average consumption flows, aggregate accumulation of productive stocks, inequality in the distribution of individual incomes and insecurity in the anticipation of future incomes. However, the weights attached to each component will vary, depending on the values of different observers. This paper argues that public debate would be improved if there is explicit consideration of the aspects of economic well-being obscured by average income trends and if the weights attached to these aspects were made visible and were open for discussion. The four components of economic well-being which are identified are: (1) effective per capita consumption flows, which includes consumption of marketed goods and services, and effective per capita flows of unmarketed goods and services and changes in leisure; (2) net societal accumulation of stocks of productive resources, including net accumulation of tangible capital and housing stocks, net accumulation of human capital and R&D investment, environmental costs, and net change in level of foreign indebtedness; (3) income distribution, as indicated by the Gini index of inequality, and depth and incidence of poverty; and (4) economic security from unemployment, ill health, single parent poverty and poverty in old age. Although estimates of the overall index and the subcomponents are presented for 1980- 1996 for 14 countries, the limited number of years for micro-data files from the Luxembourg Income Study make some estimates problematic - hence our major focus is trends in economic well-being in the USA, UK, Canada, Australia, Norway and Sweden."

No. 241. A Comparison of the Earnings of Immigrants in Canada, United States, Australia and Germany, by Dmitri Kabrelyan, May 2000.

"The legislation on employment equity is designed to protect the rights of all persons to equitable treatment in employment, but particularly those who belong to groups designated as disadvantaged. This paper tests the hypothesis that immigrants could be defined as such disadvantaged group. It investigates the earnings of immigrants relative to non-immigrants in four countries: Canada, the United States, Australia and Germany. This paper also addresses the question of the effects of gender, marital status, educational attainment, years since migration and country of origin as key explanatory factors on the earnings gap between different groups of immigrants. Although wages are only one aspect of labour market performance, comparisons based on wage rates are widely used to describe the labour-market disadvantages of paid employees in the designated groups. Section II briefly describes immigration policy in the four countries of interest and summarizes previous findings. Section III describes the data and discusses the definitions of the population of interest, the measure of earnings, and the taxonomy of the independent variables. Section IV presents the results in terms of descriptive statistics, Section V contains an analysis of the econometric results, and Section VI concludes the paper by discussion the interpretation one might place on these results. An appendix

presents the sensitivity of results to changes in model specification and gives some technical details."

No. 240. How Do Income Distributions Change in Europe?, by Marzena Joanna Rostek, May 2000.

"This study explores income changes in nine European countries. First, in order to rank the distributions of income, we apply dominance criteria. Then, we extend this standard approach and examine the differences between Lorenz and Generalised Lorenz curves by means of nonparametric methods. We trace movements in relative position of particular income groups by investigating the direction and magnitude of the impact of changes in income that took place. Analysis of the inequality distributions allows us to reveal the information concealed in these curves, but not provided by the ranking. Apart from the time- and country-specific phenomena, we identify some regular, consistent across time and space patterns. To assess the consistency of our results, we employ different specifications of equivalence scales. In addition, this sensitivity analysis provides evidence of a U- and inverted J-shape pattern displayed by the value of inequality index, when the parameters of the equivalence scale are changed."

No. 238. Still Different? Income Distribution in the Nordic Countries in a European Comparison by Johan Fritzell, May 2000.

"A bottom-line of the interest in welfare state programs and cross-national variations in the pattern, size and structure of various social policies, is that we expect that the welfare state is an institution that greatly affects our lives and well-being. A further assumption is that this impact differs between individuals and social categories, and accordingly that the degree of inequality in the distribution of societal goods and resources has a scope to be affected. Hence, in so far as there is cross-national variation in these programs, "outcome" inequality may systematically vary across nations. It has been said that one characteristic of the Nordic welfare states is that they pursue a different conception of equality, with a particular strong focus on equality of result (or outcome), as opposed to different equality of opportunity or different equity conceptions (for a discussion see e.g. Esping-Andersen 1996). This Chapter aims at looking at a central outcome in this respect, namely economic resources or to be more precise the distribution of annual income. The overarching question raised in this Chapter concerns whether or not we still find prove of a specific Nordic model when we from a variety of perspectives look at the distribution of income and compare the outcomes with that prevailing in three other European countries. Do we find any evidence on convergence, divergence or similar trends? Within this general issue four types of questions are raised and analyses on each of them will be conducted. The first issue raised concerns the level of inequality. Are the Nordic countries still in the mid1990s really that different from other European countries in terms of overall income inequality? Second, to what extent do we find commonality and variation with regard to recent changes in inequality? Do we find any evidence for a convergence with respect to the degree of inequality? Third, what is the role of cash benefits of welfare states in the income distribution process? This will be studied by comparing the size and distributional profile of income transfers and by comparing the extent of inequality when comparing before and after cash benefits is taken into account. Fourth, to what extent do we find cross-national similarity and variation with regard to the relative income position and poverty risks for more specific social categories when comparing their situation in the mid90s with that prevailing about a decade before? Is it still the case that specific vulnerable groups fare relatively better in the Nordic countries as indicated by earlier research?"

No. 236. Poverty in Canada and the USA: Measurement, Trends and Implications by Lars Osberg, July 2000.

"This paper begins by asking how poverty in affluent countries should be measured, before examining recent evidence on poverty intensity and its social significance. Section 1 advocates use of the Sen-Shorrocks-Thon index of poverty intensity and introduces the "Poverty Box" as a summary graphical representation. Recently, poverty intensity has increased in Canada while falling in the US. Although on a national basis Canadian poverty intensity remained below that in the US, by 1997 many US states were indistinguishable from Canadian provinces. Fixed effects regressions across states and provinces using Generalized Least Squares and bootstrap standard errors indicate that changes in the unemployment rate, unemployment insurance and social assistance are significant determinants of changes in poverty intensity. Since changes in trade exposure were not statistically significant, the general moral is that trade liberalization does not preclude the macro economic and social policy choices which can improve poverty outcomes. The paper concludes with a discussion of the social significance of income poverty, and its relationship to social exclusion and fundamental human rights."

No. 235. The 1990s in Latin America: Another Decade of Persistent Inequality by Miguel Székely and Marianne Hilgert, December 1999.

"This paper argues that there is no country in Latin America where we can confidently say that income inequality improved during the 1990s. We document this fact for the 15 countries where comparable household surveys, covering most of the population, are available. What we observe are genuine distributive changes, which are being driven neither by differences in the characteristics of the data nor by the way in which the data is treated. In 10 of the countries, the lack of progress is driven by increases in inequality among the first nine deciles. In the remaining 5, the reason is a greater concentration among the richest 10% of the population. We also observe that in 7 countries, the dynamics among individuals with 14 years or more of schooling are the main reason why income distribution has not improved in the 1990s. However, the lack of progress in income distribution is not exclusive to this region. We compare Latin America internationally and find that, with few exceptions, inequality has increased less in this region than in developed countries and in Eastern Europe."

No. 234. What's Behind the Inequality We Measure? An Investigation Using Latin American Data by Miguel Székely and Marianne Hilgert, December 1999.

"The use of income distribution indicators in the economics literature has increased considerably in recent years. This work relies on household surveys from 18 LAC countries to take a step back from the use of these indicators, and explore what's behind the numbers, and what information they convey. We find: a) that the way countries rank according to inequality measured in a conventional way is to a large extent an illusion created by differences in characteristics of the data and on the particular ways in which the data is treated; b) Our ideas about the effect of inequality on economic growth are also driven by quality and coverage differences in household surveys and by the way in which the data is treated; c) Standard household surveys in LAC are unable to capture the incomes of the richest sectors of society; so, the inequality we are able to measure is most likely a gross underestimation. Our main conclusion is that there is an important story behind each number. This story influences our judgement about how unequal countries are and about the relation between inequality and other development indicators, but it is seldom told or known. Perhaps other statistics commonly used in economics also have their own interesting story, and it might be worth trying to find out what it is."

No. 233. Do Welfare States Reduce Poverty? A Critical Shortcoming in the Standard Analysis of the Anti-Poverty Effect of Welfare States, by Hwanjoon Kim, July 2000.

"A standard analysis of the anti-poverty effect of taxes and income transfers is to compare pre-tax-transfer poverty and post-tax-transfer poverty. A critical shortcoming of the standard approach is that it treats pre-tax-transfer poverty as given and ignores potential effects of taxes and transfers on pre-tax-transfer poverty. Using cross-national variation, this study examines potential endogeneity of pre-tax-transfer poverty. The results suggest that both the generosity and efficiency of the tax/transfer system may influence the level of pre-tax-transfer poverty. If this is true, the standard approach overestimates the anti-poverty effectiveness of generous and/or targeted welfare systems."

No. 232. Measuring Income Inequality in Euroland by Miriam Beblo and Thomas Knaus, May 2000.

"In this paper we propose an aggregate measure of income inequality for all founding countries of the European monetary union. Applying the methodology of the Theil index we are able to derive a measure for Euroland as a whole by exploiting information of two data sets, the European Community Household Panel and the Luxembourg Income Study. The property of additive decomposability further allows us to determine each country's contribution and that of each demographic group to overall income inequality."

No. 230. Financial Markets, Judicial Costs and Housing Tenure: An International Comparison by Maria Concetta Chiuri and Tullio Jappelli, April 2000.

"This paper explores the determinants of international patterns of housing tenure choice. Up to now, no study has carried out an international comparison in housing tenure using household level data. The Luxembourg Income Study (LIS) provides microeconomic data on fourteen OECD countries. In most of these countries the cross-section is repeated over time. This allows us to construct a truly unique international dataset on over 400,000 households. The dataset also includes selected demographic variables (carefully matched between the different surveys). After controlling for fixed-country effects, cohort effects and calendar time effects, we find strong evidence that different downpayment ratios affect the age-profile of housing tenure, particularly for the young."

No. 229. Measuring Inequality: On the Correlation Between Indices by Paolo Figini, April 2000.

"A preliminary step in the measurement of inequality regards the choice of the index to use. Several indices exist, each one responding to a built-in aversion to inequality, and the choice affects conclusions. But how much? And in which way? We test the ranking correlation between inequality indices, by drawing a distinction between cases involving non-intersecting and intersecting Lorenz curves."

No. 227. On the Distribution of Income in Five Countries, by Mariacristina De Nardi, Liqian Ren and Chao Wei, March 2000.

"The goal of this study is to look at different countries, study their redistribution policies and discuss the effects of the redistribution/incentives tradeoff. Since we want to look at countries that display different degrees of government intervention, we pick countries belonging to both traditions. We focus on a small number of countries to study these issues in detail: the U.S., Canada, Germany, Sweden and Finland. We focus on distribution of income across working-age households in these five countries because we are interested in labor income (earnings) inequality, abstracting from normal retirement

decisions. Looking only at households of working age, however, we ignore another important aspect of redistribution: social-security transfers to older people."

- No. 226. Trends in Child Poverty and Social Transfers in the Czech Republic, Hungary and Poland: Experiences from the Years after Transition, by Michael F. Forster and Istvan Gyorgy Toth, February 2000.

"In our paper we present a comparative analysis of the effects of family policy measures on poverty patterns in the Czech Republic, Hungary and Poland. A special attention is devoted to changes in the extent, depth and composition of poverty, in particular that of the youngest generation. Economic well-being of families is a result of a whole complex of social and economic policies and economic developments. The primary source of family incomes is generated on the labour markets in general. The actual constellation of education, labour market, housing and health policies does have an important effect on the economic well-being of families. Importance and effects of policies directly designed for families, therefore, always depend heavily on a number of other factors. Nevertheless, in this paper we focus on family policy changes and their effects, accompanied by a most necessary short mention of other policies and developments. After discussing some methodological issues, we turn to a brief overview of the main trends of the economy in the Czech Republic, Hungary and Poland, followed by a short description of poverty in the observed countries. In these parts of the paper we draw on our earlier work concerning overall poverty, inequality and the incidence of transfers in the Visegrad countries 2 . The third section provides policy descriptions. Types of benefits are compared and described across countries and different reform attempts are highlighted. The fourth part of the paper analyses possible effects of family policies on alleviating poverty. Section five concludes."

- No. 224. Faces of Inequality: Gender, Class and Patterns of Inequalities in Different Types of Welfare States, by Walter Korpi, February 2000.

"Research on welfare states and inequality has tended to be bifurcated, focusing either on class or on gender. This paper combines gender and class in an analysis of patterns of inequalities in different types of welfare states in 18 countries. Whereas a major dimension of class inequality can be described in terms of material standards of living, in the advanced Western countries it is fruitful to conceptualize gender inequality in terms of agency. In analyses of gender as well as of class inequalities, welfare states have been seen as significant intervening variables. However, major problems have emerged in attempts to devise typologies of welfare states that are of heuristic value in analyses of gender inequality as well as of class inequality. This paper describes the development of gendered agency inequality during the period after the Second World War in 18 OECD countries in the arenas of democratic politics, tertiary education, and labor force participation. Class inequality is measured in terms of disposable house income based on LIS data. The paper develops a new typology of welfare states based on institutional structures of relevance for gender inequality as well as class inequality. The combination of gender and class throws new light on the driving forces behind inequalities and on the role of welfare states in this context. Gender inequality is conceptualized in terms of agency. The paper presents a new typology of welfare states based on institutional structures of relevance for gender inequality as well as class inequality. The combination of gender and class throws new light on the driving forces behind inequalities and on the role of welfare states in this context."

- No. 223. Women and Part-Time Employment: Workers' "Choices" and Wage Penalties in Five Industrialized Countries, by Elena Bardasi and Janet C. Gornick, March 2000.

"This paper uses cross-nationally comparable data from the Luxembourg Income Study (LIS) to analyse the patterns and consequences of part-time employment among women across five industrialized countries— Canada, Germany, Italy, the United Kingdom, and the United States— as of the middle 1990s. The results reveal the influence of dependent care responsibilities related to the presence of young children and elderly household members. We also find unadjusted part-time wage penalties everywhere, ranging from 8-12% in Canada and Germany, to 15% in the UK, to as high as 22% in the US and Italy, meaning that part-time workers earn that much less than full-time workers. The sources of the observed wage gaps vary markedly across countries; only in Germany do we find evidence of ‘discrimination’ against part-time workers."

No. 222. Long Run Trends in Economic Inequality in Five Countries - A Birth Cohort View, by Lars Osberg, January 2000.

"This paper examines the level and distribution of equivalent after tax, after transfer money income in Canada, the USA, the UK, Germany and Sweden using micro-data from the Luxembourg Income Study from 1969/70 to 1994/95. It concentrates on inequality within and between birth cohorts. At any point in time, less than 11% of aggregate income inequality is due to intergenerational inequality, but the experience of different birth cohorts over the period has varied widely across countries. The five countries studied differ in the trends observed in aggregate income, poverty, polarization and income inequality. In the USA and the UK, the incomes of the top decile of each cohort have risen dramatically, but the incomes of the bottom quintile have stagnated. In Canada and Sweden both the top and bottom deciles of each cohort have experienced similar trends. Germany is an intermediate case. Poverty trends are extremely sensitive to the distribution of the gains from growth - if only 10% of the income gains of the top decile of the UK and the USA had been transferred to the bottom decile, poverty in both countries in 1994/95 would have been substantially lower than in 1979, instead of substantially higher. The basic lesson is the diversity of income distribution trends to be observed in international data - and the consequent diversity of implications for political economy."

No. 221. Distributive Justice and Social Policy, by Olli Kangas, January 2000.

"The article adapts the Rawlsian idea of decision-making behind the veil of ignorance in the realm of income transfer systems. As rational decision-makers we would plan a society where the incidence of poverty is low, differences in the level of living between life cycles are small, income differences between the rich and poor are modest, income mobility from poverty to non-poverty is high, and where the living standard of the poor is decent. The results show that income mobility is not greater in those countries which have wide income differences, nor is the situation of the poor any better in countries with huge income disparities than that of the poor in other countries. Cross-national comparisons indicate that high poverty rates are not associated with more rapid income mobility and higher standards for the poor."

No. 219. The Family Gap in Pay: Evidence from Seven Industrialised Countries, by Susan Harkness and Jane Waldfogel, November 1999.

"In this paper we use microdata on employment and earnings from a variety of industrialised countries to investigate the family gap in pay - the differential in hourly wages between women with children and women without children. We present results from seven countries: Australia, Canada, the United Kingdom, the United States, Germany, Finland, and Sweden. We find that there is a good deal of variation across our sample countries in the effects of children on women's employment. We also find large

differences in the effects of children on women's hourly wages even after controlling for differences between women with children and women without children in characteristics such as age and education. Among the seven countries we study here, the United Kingdom displays the largest wage penalties to children. The family gap in pay is larger in the U.K. than in other countries because of the higher propensity of U.K. mothers to work in low-paid part-time jobs but also because even among full-timers, women with children in the U.K. are lower paid relative to other women than are mothers in other countries. Why does the family gap in pay vary so much across countries? We find that the variation in the family gap in pay across countries is not primarily due to differential selection into employment or to differences in wage structure. We therefore suggest that future research should examine the impact of family policies such as maternity leave and child care on the family gap in pay."

- No. 218. Extensions of a Measure of Polarization with an Application to the Income Distribution of Five OECD Countries, by Joan Esteban, Carlos Gradín and Debraj Ray, November 1999.

"We introduce an extension of the Esteban and Ray [Econometrica, 1994] measure of polarization that can be applied to density functions. As a by-product we also derive the Wolfson [AER, 1994] measure as a special case. This derivation has the virtue of casting both measures in the context of a (statistically) unified framework. We study the polarization of the distribution of household income for five OECD countries (LIS database): US, UK, Canada, Germany and Sweden."

- No. 217. Comparing Long-Term Unemployment, Secondary Labour Markets and Household Incomes, by Pekka Kosonen and Pasi Moisio, November 1999.

"The purpose of this paper is to compare the groups of the unemployed, low-paid workers and precarious/part-time workers; and their families' disposable incomes. Comparable data from three countries, i.e. Finland, Germany and the United Kingdom is used."

- No. 216. Low Pay and Household Poverty by Brian Nolan and Ive Marx, November 1999.

"Low pay is conventionally measured in terms of the gross earnings of the individual, related to benchmarks derived from the distribution of earnings such as half or two-thirds of the median. Poverty status, on the other hand, is usually assessed on the basis of the disposable income of the household, adjusted for size and composition. The relationship between the two - low pay and poverty - is by no means straightforward, but improving our understanding of it is critical to policy formulation. In this paper we draw on two data sources to investigate what that relationship looks like empirically in industrialized countries: the Luxembourg Income Study database and the European Community Household Panel. The extent of overlap between low pay and poverty is found to be often rather more limited at an aggregate level than might generally be expected, but there is also some variation across countries. These results are based on snapshots from cross-section data, and the importance of a dynamic perspective in this context is emphasized. In conclusion, some of the policy implications are explored."

- No. 215. Inequality, Growth and Welfare: An International Comparison by Jesús Ruiz--Huerta, Rosa Martinez and Luis Ayala, October 1999.

"This study offers will try to present some empirical evidence in an attempt to improve our understanding of welfare. After reviewing the empirical criteria used to measure welfare in comparative contexts and explaining our methodology (section 2), section 3 deals with major trends in some OECD countries. In section 4, the effects on welfare of the distribution of economic growth by income levels are analysed using real income



changes at three different points of the distribution scale. A cross-national comparison of the absolute income levels of the low, median and high-income households in every country is carried out in section 5. Finally, in the last part of the paper, our attention is focused on a synthetic measure of welfare based on the notion of combining average income and inequality in some kind of two-dimensional welfare index."

- No. 214. Earnings Inequality, Unemployment and Income Distribution in the OECD by Jesús Ruiz-Huerta, Rosa Martínez and Luis Ayala, June 1999.

"This paper will try to elucidate to what degree disposable income distribution in some OECD countries has been affected by the labour market changes described using data from the Luxembourg Income Study (LIS). Three questions require a detailed analysis. Firstly, how has income distribution evolved in the countries under study? The first section describes the inequality trends derived from the best micro-data available on disposable income to carry out international comparisons from the LIS database. Secondly, what effects have the changes in earnings inequality had on the above trends? The links between earnings inequality as well as primary income inequality (which includes income from work and capital) and disposable income distribution must be examined to answer this question. And lastly, what has been the distributive impact of unemployment with regard to greater inequality and/or higher poverty levels? Aspects such as social security coverage rates and how unemployment affects households are relevant factors for understanding the effects of such a phenomenon in the various countries considered."

- No. 211. Effectiveness of Means-tested Transfers in Western Europe: Evidence from the Luxembourg Income Study, by Christina Behrendt, September 1999.

"In recent years, the discussion about welfare state reform has often focused on the effectiveness of social security schemes. This debate is torn between calls for more effective poverty alleviation on the one hand and concerns about welfare dependency and the need for stronger targeting of social security benefits on the other. Means-tested benefits have been a major subject in this debate, since they are explicitly directed toward low-income groups. Basically, means-tested benefits are characterised by income and/or asset tests (examples are social assistance or housing benefits in most countries). In spite of the growing concern regarding the effectiveness of means-tested benefits in alleviating poverty, our knowledge on the impact of means-tested benefits remains inadequate. Although a number of studies have assessed the effects of tax and transfer systems as a whole and have provided accounts of the effectiveness of specific social security schemes or the impact of redistribution on specific groups of the population, evidence on the effectiveness of means-tested benefits is still limited. We know astonishingly little about the effects of means-tested transfers on poverty. How effective are they in reducing poverty rates? To what degree can they fill the gap that income redistribution through taxes and non-means-tested social security benefits leaves? How large is the impact of means-tested transfers in private household budgets, and how does the role of means-tested benefits vary across countries? The Luxembourg Income Study (LIS) offers detailed micro-data of private household incomes and facilitates the analysis of the impact of means-tested transfers in a comparative perspective. This paper will explore the potential of these data for assessing the effectiveness of means-tested benefits. Three countries have been chosen for this purpose: Germany, Sweden and the United Kingdom. The evaluation of the effectiveness of means-tested benefits in these countries addresses variations in the effectiveness of means-tested benefits across countries. Can we identify specific patterns in the impact of this kind of benefits? How can we relate these patterns to the institutional settings found in these countries?"

No. 210. Solo Mothers and Poverty: Do Policies Matter? A Comparative Case Study of Sweden and Belgium, by Ann Morissens, August 1999.

"Although the poverty rates among solo mothers vary a lot between countries there is one common feature: solo mothers perform worse in terms of financial resources compared to married or cohabiting mothers. Even in countries with low poverty rates in general, the differences in income between solo mothers and married/cohabiting mothers remain and are significant. It is interesting to ask the question why? Again referring to a cross national setting we see that poverty rates vary widely between countries and this raises the hypothesis that different factors play a role in determining solo mothers' economic well being. In this paper the main question is: What is preventing Swedish and Belgian solo mothers from poverty? Sweden and Belgium are interesting to look at for several reasons. Looking at the poverty rates for solo mothers in both countries, we see that they are low compared to many other countries. Sweden in 1992 and Belgium in 1990 had poverty rates for solo mothers of 3.8% (Hobson and Takahashi, 1997) and 8% (Bradshaw, 1996a) whereas the poverty rates for solo mothers in some other European countries were much higher: The Netherlands (20.9%)(1991) Germany (41%) (1990) United Kingdom (58%) (1990)<sup>2</sup> Although both countries have relatively low poverty rates for solo mothers, they do not have the same type of social policies. If we take Esping-Andersen' s typology of welfare regimes (1990) as a point of reference we find two different welfare regimes. Sweden is defined as a social democratic welfare state and Belgium as a conservative/corporatist welfare state.<sup>3</sup> One would expect the latter to be more orientated towards the male breadwinner ideology with worse outcomes for women without male breadwinner, this is apparently not the case for solo mothers in Belgium. All this makes it interesting to look at these two countries. Is public policy the main reason for the low poverty rates and how can it be explained that different policies have almost the same outcomes?"

No. 208. Earnings Inequality in International Perspective, by Franco Peracchi, June 1999.

"The increase in dispersion of personal earnings in the USA has received considerable attention and has been analyzed extensively. The evidence for other countries is less systematic. There are a few comparative studies, but they tend to focus on descriptions of the overall distribution of income or earnings. This paper compares the USA with other countries in order to understand whether the US experience is relatively unique or is instead part of a global (or perhaps industrial countries) phenomenon. The paper is mainly descriptive and relies on the empirical evidence from the micro-data of the Luxembourg Income Study (LIS), spanning a period of about twenty years from the mid 1970s to the mid 1990s. It focuses on personal earnings, as opposed to personal or household income, and looks at two main determinants of the changes in the distribution of earnings at the aggregate level, namely changes in between-group and within-group dispersion, as well as the relationship between changes in relative wages and in relative employment. Grouping of the population is based on gender, age and educational attainments. Our main empirical finding is that most of the stylized facts known to hold for the USA also hold for a large majority of the countries included in the LIS database. Therefore, far from being unique, the US experience appears to be part of a phenomenon that is common to many developed countries."

No. 207. Household Income Distribution and Hours of Work: An International Comparison, by D. Anxo and L. Flood, June 1999.

"The aim of this paper is twofold. First to analyze the relationship between the distribution of household income and the distribution of working time in six European

countries and in the United States. The second objective is to assess how the tax and transfer systems affect the gender allocation of working time within married or cohabitant households. This paper is structured in the following manner. Section 2 briefly describes the data set used (Luxembourg Income Study database) and the definition of the population and variables retained in this study. Section 3 describes the main features of income distribution, earnings inequality and household working time patterns in the selected countries. Section 4 tries to assess the impact of national tax and transfer systems on the net earnings return for various household working time patterns. In particular, we provide some preliminary estimates on the marginal effect of an increase of wife's working hours on household's net disposable income."

No. 206. Gender Equality in the Labour Market: Women's Employment and Earnings, by Janet Gornick, June 1999.

"This chapter presents a cross-national portrait of gender equality in the labour market in the early 1990s, based on Luxembourg Income Study (LIS) data from fifteen countries. Cross-country comparisons are analyzed in the context of variation both across, and within, the three welfare state regime types that have dominated recent theoretical and empirical scholarship on the welfare state. The social democratic welfare states are represented in this analysis by Denmark, Finland, Norway, and Sweden; the conservative (or corporatist) welfare states, by Belgium, France, Germany, Italy, Luxembourg, the Netherlands, and Spain; and the liberal (or residual) welfare states include, here, Australia, Canada, the United Kingdom, and the United States. The question as to whether these three regime types shape gendered labour market outcomes -- in other words, the extent to which variation across the regime types is greater than variation within them -- anchors the presentation of empirical findings. In the next section, three central concerns about the meaning of gender equality in the labour market are raised, and resolutions discussed. The following section traces major trends in gendered labour market patterns since 1960. Two subsequent sections present empirical results for the 1990s on gender differences Across various labour market outcomes. Policy implications are presented in the final section, followed by conclusions."

No. 205. Child Poverty Across Industrialized Nations, by Bruce Bradbury and Markus Jantti, September 1999.

"While child poverty is everywhere seen as an important social problem, there is considerable variation in both anti-poverty policies and poverty outcomes across the industrialized nations. In this paper we present new estimates of patterns of child income poverty in 25 nations using data from the Luxembourg Income Study. These estimates are presented using a range of alternative income poverty definitions and describe the correlations of outcomes with different demographic patterns and labour market and social transfer incomes. The paper also tests the robustness of these results to different poverty definitions and to more comprehensive measurements of child living standards. Evidence on cross-national patterns of non-cash income receipt suggests that more comprehensive measures, which include non-cash benefits would be unlikely to change the overall pattern of poverty. We then examine the impact of household savings patterns (particularly via house purchase) on child consumption and conclude that this also does not change the picture provided by income measures alone. The paper concludes with an analysis of the sources of the variation in child poverty across nations. Much of the previous literature has focused on the differences in welfare state institutions and social transfer outcomes. Our results, on the other hand, suggest that variations in the market incomes received by the families of disadvantaged children are more important."

- No. 204. Social Protection for the Poor in the Developed World: The Evidence from LIS," by Timothy M. Smeeding and Katherin Ross, March 1999.

This paper presents data and analysis on the antipoverty effectiveness of safety nets in eight rich nations using data from the Luxembourg Income Study (LIS). We find that national safety nets are quite varied and that the most expensive ones (in terms of budgetary cost) are also the most effective. The paper concludes with some suggestions for the construction of effective safety nets in developing nations.

- No. 196. Social Policy in Settled and Transitional Countries: A Comparison of Institutions and their Consequences, by Olli Kangas, March 1999.

"In all societies people seek shelter against such risk where their livelihood is for some reason endangered. Childhood, sickness, accidents, and old age are classical examples of social risks that a society somehow must encounter. A society that does not take care of its vulnerable members is not a sustainable one. Therefore, some kind of collective risk pooling and collective safety nets are necessary for a society to sustain itself. The structure of our study is as follows: Firstly, we describe the data used in this study. Secondly, in order to set the study of social policy in a wider frame of references it is fruitful to inspect economic development in post- socialist countries and in western nations. Thereafter follows a section on institutional arrangements guaranteeing social protection in case of old-age, sickness, childbirth, and unemployment. Fourthly, in addition to institutional set ups we are interested in analyzing the effectivity of those institutions. Effectivity will be measured by using some standard methods in this field of study: income distribution and poverty. Moreover, we will study the effectivity of social transfer systems to alleviate poverty in various countries. Fourthly, and lastly, we are interested in the costs of social security. What are the total costs and how is the burden divided between different sources of financing? What is the proportion of the insured, employers, and the public sector in the financing of social security in different countries?"

- No. 195. Unemployment, Employment and Social Exclusion, by Anita Haataja, March 1999.

"Unemployment has become one of the most serious social and economic problems in Europe. In 1997, every tenth member of the EU labour force was unemployed; nearly half of these were long-term unemployed. Nearly four out of ten Europeans of working age were unemployed or otherwise outside the employment; 149 million people (60,5 percent) were employed (SEC (1998) 1668). Europe has thus been plagued by high unemployment and low employment rates, as well as slow growth in the number of the employed in comparison with other OECD countries. The connections between unemployment and the threat of social exclusion can be estimated by establishing how common or deep poverty is among the employed and the unemployed. This is the first aim of this article. The article also seeks to establish possible differences between social policy models in this respect. The fact that poverty is equally common or rare among the unemployed and the employed can be due to many factors. Small differences may be due to income transfers that effectively combat poverty even in the absence of income from work. On the other hand, small differences can also be due to high poverty risks not only among the unemployed but also among the employed whose income from work is insufficient . The second aim of this article is to assess the extent to which income transfers prevent poverty in different social policy models."

- No. 194. Poverty and Parenthood across Modern Nations: Findings from the Luxembourg Income Study, by Timothy Smeeding, Katherin Ross, Paula England, Karen Christopher and Sara McLanahan, March 1999.

"All modern societies face the issue of how to best support its children when labor and capital markets fail to produce adequate levels of income for their parents. Public and private means of economic and social support are mixed in rich nations to provide for both a minimally adequate level of economic and social support for families with children, and an equal opportunity for economic and social success amongst all children in the society. If we accept these goals, we might then measure failure to achieve the first outcome (adequacy) by the child poverty rate, and progress toward the second goal (equal opportunity) by the narrowness of the spread in incomes between the rich and poor in any a society. However, not all nations equally achieve these goals. If we create such measures as this, previous research has established that the United States has both the highest child poverty rate (20 percent or more) and the widest economic distance from poor to rich children of any modern (OECD) society. Others have published repeatedly on the high economic and social costs of child poverty in the United States and its social consequences. In fact, this disturbing outcome has provoked us to begin a set of wider and more complete studies designed to isolate the factors which produce poor child outcomes in the United States in comparison to those found in other nations. This paper is the second in a series of three related papers which try to examine why we find this outcome. The general rubric under which we are operating is termed "the cost of children." The rest of this introductory section of the paper discusses this project, the findings of our first paper on differences in poverty amongst men and women, and subsequent papers to follow. The second part of the paper presents our thoughts on the piece of the puzzle which we address here: the economic situation of parents and the poverty cost of parenthood. Next we discuss our definitions, data and methods (section III), results (section IV) and finally a summary discussion and conclusions (section V)."

No. 193. Income Poverty in Advanced Countries, by Markus Jantti and Sheldon Danziger, March 1999.

"The living standard of the least well-off members of society – industrialized or not – is of public policy and ethical interest. One way to examine differences between societies in this respect is to study the extent and severity of income poverty between countries and over time. While poverty can be thought of in many different ways, examining income poverty has a long tradition. This chapter (Draft of Chapter 10 in *Handbook on Income Distribution*, edited by A.B. Atkinson and F. Bourguignon. Preprint submitted to Elsevier Preprint 31 December 1998) reviews issues that arise in studying economic poverty in industrialized countries and examines evidence on their ranking according to poverty and its changes over time."

No. 191. Inequality Dynamics: Evidence from Some European Countries, by Matteo Iacoviello, October 1998.

"Using year-by-year measures of income distribution provided by the LIS dataset for eight continental Europe countries, this paper considers the recent literature on income inequality and growth to test the following propositions: does inequality converge during the process of economic growth? What are the variables that can influence this process? Are there any joint dynamics in income inequality and income levels, and which variable causes the other? On the one hand, the results seem to show mean-reversion in Gini coefficients in the analyzed sample, not only when "absolute convergence" is taken into account, but also when other determinants of movements in income inequality, suggested by the literature, are added to the base regression. On the other hand, they point out that shocks to income can yield interesting short run dynamics in income distribution, whereas the reverse link, from inequality to income, is not well supported by the specification."

No. 188. Do Social-Welfare Policies Reduce Poverty? A Cross-National Assessment, by Lane Kenworthy, September 1998.

"Most social scientists, policy makers, and citizens who support the welfare state do so in part because they believe social-welfare programs help to reduce the incidence of poverty. Yet a growing number of critics assert that such programs in fact fail to do so, because too small a share of transfers actually reaches the poor, or because such programs create a welfare/poverty trap, or because they weaken the economy. This study assesses the effects of social-welfare policy extensiveness on poverty across 15 affluent industrialized nations over the period 1960-91, using both absolute and relative measures of poverty. The results strongly support the conventional view that social-welfare programs reduce poverty."

No. 187. Does Social Policy Matter? Poverty Cycles in OECD Countries, by Olli Kangas and Joakim Palme, September 1998.

"The purpose of this paper is twofold, partly exploratory; to determine the degree to which Rowntree's poverty cycles are still apparent among the most advanced industrial nations, and partly analytical; to examine how successful different sociopolitical strategies have been in eliminating poverty over the life-cycle. The paper seeks to make a contribution in relation to earlier studies by both examining changes within singular countries and by comparing trends cross-nationally provisions".

No. 184. The Redistributive Aim of Social Policy: A Comparative Analysis of Taxes, Tax Expenditure Transfers and Direct Transfers in Eight Countries, by Rune Ervik, June 1998.

"In this paper I will study in a comparative perspective how taxes, social transfers and tax expenditures effect the social policy goal of redistributing income. The following countries are included in the analysis: Australia, Denmark, Finland, Germany, Norway, Sweden, United Kingdom and United States. These countries reveal variation both with respect to the organization of their welfare and taxation systems and in relation to income distribution. The aim of the study is threefold: to show how these welfare states combine the tools of taxes and transfers differently, resulting in substantial variations of redistributive capacity; to identify and account for changes in the redistributive capacity of these welfare states through and analysis of data for the time period ca 1980-1995.; and the use of tax expenditures."

No. 183. How Do the Elderly in Taiwan Fare Cross-Nationally? Evidence from the Luxembourg Income Study (LIS) Project, by Timothy M. Smeeding and Peter Saunders, (May 1998) revised October 1998.

"This paper uses microdata from the Luxembourg Income Study (LIS) to estimate and compare four dimensions of the well-being of the aged in Taiwan and eight other countries - the United States, Japan, Australia, Poland, Finland, Germany, Hungary and Canada. Together, these nine countries cover a broad variety of economic experience, institutional development and cultural tradition which complicate the task of comparing them. The four dimensions studies are (relative) poverty, income distribution, relative economic status and income composition. A key focus of the analysis and a significant feature of the results is the important role which living arrangements (and, to a lesser extent, age and gender) play in determining the relative economic status of the aged in each country. This issue is explored more thoroughly in Taiwan, where the (admittedly exploratory and preliminary) analysis illustrates how shared living arrangements (and hence shared housing costs) represent an important part of the overall safety net for the elderly."

182. Adequacy and Poverty Among the Retired, by Richard Hauser, May 1998.

"Problems of the systems for protecting the elderly have become pressing on a world wide scale albeit for different reasons. In many industrialized countries with mature systems the share of GDP that is redistributed via the mandatory pension system is criticized as being too high. High unemployment rates, actual GDP far below potential GDP, reduced revenue from taxes and social security contributions account for many of the present problems. But in the long run the growing share of the elderly population will pose the main problem even if the unemployment rate can be reduced to an acceptable level. In industrialized countries with rather young mandatory pension systems the maturing of the systems will cause additional financial problems. Countries in transition have to change their systems fundamentally to cope with the grater need for protection in a market oriented economy."

No. 179 Transfers and Poverty in OECD Countries, by Tiina Mäkinen, March 1998.

"The purpose of the paper is to find out what kind of impact different structural factors have on the one hand, poverty and, on the other hand, income transfers. These structural factors have been operationalised as changes in economy, employment and demography. The countries under comparison represent different welfare state models. The analysis shows that when we look at the impact of structural factors on poverty, we find out the difference between demographic variables used: the rate of under 15 years old increases poverty, while the rate of persons 65 years and older decreases it. If the dependent variable - instead of poverty - is income transfers, the result is the opposite. This can be explained by the fact that social policy has primarily been pension policy and this has improved especially the situation of old people. In many countries the development of family policy is just beginning and at present poverty is a threat to quite a few society groups such as single parents and families with children."

No. 178. Child Poverty and Family Poverty in OECD Countries, by Katja Forssén, March 1998. Childhood in an underdeveloped environment is a stage of life very likely to be overshadowed by poverty. The main aim of this study is to look at the development of child poverty in the comparative angle. The study seeks to detect connections between child poverty and the implemented family policies. Discussion include an overview of family policies in different welfare state models, specification of the goals of the study, report of the results of the empirical analysis, and discussion of the implications of the empirical results on child poverty in OECD countries.

No. 174. The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality and Poverty in the Western Countries, by Walter Korpi and Joakim Palme, February 1998.

"The popular impression that employment in the U.S. has become more part-time in recent years may be driven by a tendency for faster-growing industries to use relatively more part-time work. This paper documents this association for the period 1983-1993, and demonstrates that it is robust to questions about how to measure industry growth and part-time intensity. A similar relationship can be discerned in several other countries. However, judging from data from the 1930s on, the association does not emerge clearly in the United States until the 1980s, suggesting that part-time work and industry growth are not intrinsically related. Moreover, both the relative growth rates and the relative part-time intensities of industries have changed markedly over the post-war period. There is no indication that part-time work at fast-growing industries is more likely to be involuntary, although this may be true for entering workers, nor has there been any trend in that direction."

No. 172. In Search for a Smoking Gun: What Makes Income Inequality Vary Over Time in Different Countries? by Björn Gustafsson and Mats Johansson, November 1997.

"The debates on how to reduce poverty and inequality have focused on two controversial questions. One is whether social policies should be targeted to low- income groups or universal; another whether benefits should be equal for all or earnings-related. Traditional arguments in favor of targeting and flat-rate benefits, focusing on the distribution of the money actually transferred, have neglected three policy-relevant considerations: 1. The size of redistributive budgets is not fixed but reflects the structure of welfare state institutions. 2. there tends to be a tradeoff between the degree of low-income targeting and the size of redistributive budgets. 3. Outcomes of market-based distribution are often even more unequal than those of earnings-related social insurance programs. We argue that social insurance institutions are of central importance for redistributive outcomes. using new data bases, our comparative analyses of the effects of different institutional types of welfare states on poverty and inequality indicate that institutional differences lead to unexpected outcomes and generate the paradox of redistribution: The more we target benefits at the poor and the more concerned we are with creating equality via equal public transfers to all, the less likely we are to reduce poverty and inequality."

No. 170. Cross-National Patterns of Labor Force Withdrawal by Timothy M. Smeeding and Joseph F. Quinn, December 1997.

"This paper was originally presented at the Fourth International Research Seminar of the Foundation for International Studies on Social Security (FISS) in June 1997 in Sigtuna, Sweden. "In the United States, several public policy initiatives have been undertaken to encourage more work and later retirement among older Americans. Labor force participation data over the past decade suggest that these policies may be working - the early retirement trend seems to have stopped. The purpose of this paper is to analyze retirement patterns in the United States and six other OECD countries to compare their levels and to see if any changes in trends can be discerned over recent years."

No. 169. Demography or Income Packaging: What Explains the Income Distribution of The Netherlands? by Lee Rainwater and Timothy M. Smeeding, November 1997. Prepared for the Fethschnft for Hans-Jurgen Krupp, this report examines the role of demographic, economic, and policy-related institutional factors which we term "income packaging" in accounting for income distribution differences between The Netherlands and seven other OECD countries. These countries have been chosen to represent a range in income inequality and in the nature of their income packaging characteristics. The question addressed is how much of the difference across these nations is due to demography (that is, the age and household structures of The Netherlands), as compared to other factors which determine income packaging?

No.168. Gender, the Welfare State, and Public Employment: A Comparative Study of Seven Industrialized Countries by Janet C. Gornick and Jerry A. Jacobs, August 1997.

"This paper explores the influence of government employment on the gender gap in earnings in seven countries, using data from the Luxembourg Income Study (LIS). The size of the public sector and women's concentration in government employment varies widely across industrialized countries. We develop and test predictions about how the public/private earnings differential varies across countries. The results indicate marked variation across liberal, conservative, and social democratic welfare states, but reveal a number of uniformities as well. We find that public-sector workers earn more, on average, than those working in the private sector in most countries in our sample. The smallest public-sector earnings premia are found in the social democratic countries and



the largest are evident in the liberal welfare states. Thus, public employment provides relatively few but comparatively high-paying jobs for women in liberal welfare state, while the social democracies government positions are more numerous but comparatively low-paying. We discuss the implications of these results for theory and research on gender and the welfare state."

- No. 166. Poverty and Income Inequality: An International Comparison, 1980s and 1990s, by Yaser Awad and Nirit Israeli, July 1997.

"During recent years, both policy makers and administrators have become increasingly attentive to the economic distress of the weaker segments of society. In light of this development, many studies, including a number of comparative studies, were conducted both in Israel and throughout the world, for the purpose of measuring poverty incidence and income gaps while examining alternative ways for their reduction. This paper briefly reviews approaches to the measurement of poverty and the equivalence scales employed for the measurement of poverty by Israel, by LIS and by OECD member states. These scales differ in their estimation of the additional income required to compensate a household for the increase in its size and, thereby, maintain its standard of living. The second part of this paper presents the findings of the study."

- No. 164. Educational Attainment and Earnings Inequality in Eight Nations, by Dennis Sullivan and Timothy M. Smeeding, July 1997.

"This paper investigates the relationship between educational attainment and earnings inequality in eight nations using the Luxembourg Income Study (LIS) database. Although the results should be considered exploratory rather than definitive until verified and qualified by more detailed comparative studies, two basic conclusions can be simply stated. First, among advanced economies there is no obvious relationship between the degree of earnings inequality and the percentage of the labor force attaining higher levels of education. The second conclusion is less agnostic: there is a clear positive correlation between the earnings differentials associated with greater educational attainment and the extent of earnings inequality."

- No. 163. All the World's Entrepreneurs: The Role of Self-Employment in Nineteen Nations, by Dennis Sullivan and Timothy M. Smeeding, June 1997.

"The purpose of this paper is to describe the effect of self-employment income on the distribution of market income among households in nineteen nations. Many of the nations are high-income OECD countries, but we also include several countries with lower levels of income per capita, including four formerly Communist countries. As this stage, our study is exploratory and descriptive: we find several stylized patterns in the distributive effects of self-employment, some of which suggest testable hypotheses to be examined in subsequent work."

- No. 162. Changes in the Standard of Living, Connected with Aging and Retirement: Comparative Perspective (USA, Germany, Russia), by Evgeniy A. Kazakov, May 1997.

"This paper focuses on the changes in the standard of living, connected with aging and retirement, and the impact of different models of pension provision. The research is based on LIS microdata from Germany, Russia, and the U.S."

- No. 159. Exploring the Impact of Trade and Investment on Income Inequality: A Cross-National Sectoral Analysis of the Developed Market Economy Countries, by Vincent A. Mahler, David K. Jesuit, and Douglas D. Roscoe, May 1997.

"The central aim of this paper is to explore the relationship between international integration and domestic inequality in the developed market economy countries in the mid-1980s and early 1990s. The analysis examines two major modes of integration trade and direct foreign investment disaggregating each by economic sector and distinguishing between imports and exports, and inbound and outbound investment flows and stocks. The study finds few significant relationships between either trade or investment and any indicators of sectoral income distribution. The overall conclusion is that economic globalization is not a critically important factor explaining recent trends in income inequality in the Western world."

No. 157. American Income Inequality in a Cross-National Perspective: Why Are We So Different?, by Timothy M. Smeeding, April 1997.

"Increasingly the rich nations of the world face a common set of social and economic issues: the cost of population aging, a growing number of single parent families, the growing majority of two-earner families, increasing numbers of immigrants from poorer nations, and in particular, rising economic inequality generated by skill-based technological change, international trade and other factors. All of these nations have also designed systems of social protection to shield their citizens against the risk of a decline in economic status due to unemployment, divorce, disability, retirement, and death of a spouse. The interaction of these economic and demographic forces and social programs generates the distribution of disposable income in each of these nations. The experiences and consequences of nations in dealing with issues of economic and social inequality is the subject of this paper."

No. 155. Financial Poverty in Developed Countries: The Evidence from LIS: Final Report to the UNDP, by Timothy M. Smeeding, April 1997.

"The object of this report is to review the available evidence on the extent and nature of financial poverty in modern rich nations within the OECD and selected other nations. While there is discussion of broader concepts of poverty such as those related to deficits in capabilities, social exclusion, violence and insecurity, the main concern is with financial poverty as measured by annual after-tax disposable income. Both absolute and relative poverty measures are presented and attempts are made to link the types of poverty standards used in rich nations to those used in developing nations. This paper served as the basis for all OECD country poverty rates as reported in the United Nations' 1997 Human Development Report, which was released on June 12, 1997."

No. 154. Empirical Evidence on Income Inequality in Industrialized Countries, by Peter Gottschalk and Timothy M. Smeeding, June 1998. The first draft of Chapter 3 in The Handbook of Income Distribution, edited by Anthony B. Atkinson and Francois Bourgignon, this paper reviews the empirical evidence on the level and trend in family income inequality in industrialized countries, primarily the OECD countries.

No. 153. Reshuffling Responsibilities in Old Age: The United States in a Comparative Perspective, by Timothy M. Smeeding, February 1997.

"It is increasingly clear that the United States has adopted a strategic goal to shift federally-funded entitlement programs from a defined benefit to a defined cost basis. A cross-national comparison, this paper discusses the 1996 Welfare Reform Act and its probable effect on other federal entitlements, such as Medicaid, Medicare, and Social Security. Who will be at-risk as economic and financial responsibilities in old age are reshuffled?"

No. 151. Cross-National Comparisons of Income Distribution: The Income Distribution Guideline Needs of Microdata Users as Seen from the Perspective of the Luxembourg Income Study, by Timothy M. Smeeding, December 1996.

"The Luxembourg Income Study has worked for more than 14 years to improve cross-national comparability of microdata. Work on comparative issues related to microdata based on income distribution studies must start with a bottom-up microdata and experience with cross-national comparability of household income survey data. This paper examines the contributions that the Luxembourg Income Study can make to the creation of Income Distribution Guidelines.

No. 150. Noncash Benefits and Income Distribution, by Elisabeth Steckmest, December 1996.

"This report gives the results derived from a cross-sectional analysis of the distributional effects of noncash benefits in four countries. The results of the Norwegian data suggest that the distribution of benefits influences the relative income position of household groups. The main beneficiaries of the free education system in Norway are, not surprisingly, households with children. Noncash health benefits particularly improve the situation of the elderly. When the income measures are adjusted for household size and composition, the spread in relative mean income across the different groups is reduced. To measure the impact of income inequality the authors use income per decile group before and after the inclusion of in-kind benefits. Looking at the population as a whole, it is found that households in the bottom of the distribution receive more than those at the top. Disaggregating the population by household types, the authors find that for certain types, mainly families with children, cash income is correlated with noncash income".

No. 149. Poverty Among Single Elderly Women Under Different Systems of Old-Age Security: A Comparative Review, by Jurge Siegenthaler, December 1996.

"Comparisons of the economic position of single older women in various industrialized countries have shown substantial differences, especially regarding the proportion of widows, divorcees, and never-married women experiencing poverty. This review aims at a comparative assessment of existing studies that have examined these differences, focusing on six nations: France, Germany, the Netherlands, Sweden, Switzerland, and the United States. The review also encompasses relevant comparative benefit studies and probes into the institutional arrangements of old-age security schemes in each country that may explain higher or lower poverty rates for women aged 65 or over who are on their own."

No. 148. Trends in Financial Poverty in OECD Countries, by Karel Van den Bosch and Ive Marx, December 1996.

"This paper investigates trends in financial poverty in OECD countries by asking the following questions: 1) Have overall levels of poverty increased, decreased or remained stable? 2) Has the incidence of poverty shifted from certain demographic groups to others? 3) How has the social income transfer system coped in its task of protecting people from poverty? The main conclusions are as follows. Sharply rising trends in poverty were found in only two countries, while modest increases in poverty were measured in several countries. In a number of other countries, relative poverty has remained stable, or has even declined. Sharp falls in absolute poverty are found in several countries. There is evidence of a shift of poverty from the elderly to families with children. The study found no evidence that the impact of social security transfers on the extent of poverty has diminished".

No. 147. Poverty in the U.K.: A Comparison with Nineteen Other Countries, by

Jonathan Bradshaw and Jun-Rong Chen, October 1996.

"This paper compares poverty in the U.K. with 19 other countries. It is of particular interest because it uses the third wave of LIS data (early 1990 time period) and because it includes a number of of transitional economies as well as Taiwan. The main finding of this paper is that the overall pre-transfer poverty rate for the U.K. is the fifth highest out of the 20 countries and is relatively high for lone parents and couples with children. The result of direct taxes and social security benefits is to reduce the poverty rate but leaves the U.K. with the third highest, next only to the U.S. and Russia. In addition, poverty rates have increased more in the U.K. during the 1990's than other countries studied".

No. 145. Universality and Selectivity in Income Support: An Assessment of the Issues, by Sheila Shaver, August 1996.

"This paper focuses on four questions: 1) What do universality and selectivity mean in practice in the income support systems of various countries? 2) Are selective income support arrangements more effective than universal ones in ensuring low levels of poverty? 3) Is it true that selective support arrangements concentrate social expenditure on those with least other income, and that in doing so achieve greater redistribution in favor of low income group than universal arrangements? And secondly, do selective income support arrangements achieve a given level of redistribution of income more efficiently than universal ones? and 4) Is it the case that benefit levels are lower under selective than universal income support arrangements?"

No. 143. A Cross-National Look at Married Women's Economic Dependency, by Suzanne M. Bianchi, Lynne M. Casper and Pia K. Peltola, August 1996.

"Using the LIS data, the authors examine married women's dependency on their husbands' earnings in nine Western industrialized countries: Australia; Belgium; Canada; Finland; Germany; Netherlands; Norway; Sweden; and the United States. When we examine the level and degree of dependency, and the labor force participation of married women, the nine countries cluster in three groups along the lines of the Esping-Anderson welfare state typology. But when we examine the determinants of the dependency within each country, the clustering disappears. Wives' dependency increases with age, the presence of young children, and the number of children. It is reduced when wives' labor force participation and education are high relative to their husbands and in families which rely more on unearned sources of income. The similarity of patterns across countries suggests that gender differences in the work-family nexus are deeply entrenched in all countries and continue even in the face of very active social policy to minimize their effects".

No. 140. Public Policies and the Employment of Mothers: A Cross-National Study, by Janet Gornick, Marcia Meyers and Katherin Ross, June 1996.

"This paper uses data from fourteen industrialized countries, during the middle to late 1980's, to analyze the effect of national child care and maternity leave policies on employment. The results demonstrate a strong association between policy configurations and the employment patterns of women with children".

No. 139. Supporting the Employment of Mothers: Policy Variation Across Fourteen Welfare States, by Janet Gornick, Marcia Meyers and Katherin Ross, June 1996.

"This paper compares fourteen industrialized Western countries--matched to microdata available from LIS--with respect to a subset of public policies that traditionally fall under the umbrella of "family policy." The analysis focuses on policies that facilitate the employment of mothers: parental leave, child care, and the scheduling of public

education. Data on eighteen measures of public policy are presented and used to construct composite indices of national policy "packages" that support employment for mothers with children of different ages".

No. 137. The International Evidence on Income Distribution in Modern Economies:

Where Do We Stand? By Timothy M. Smeeding and Peter Gottschalk, December 1995.

Interest in cross-national comparisons of personal income distributions, low relative incomes, and income inequality in general has grown dramatically during the past five years. This paper summarizes and provides limited updates on a small part of what was learned in a large study undertaken for the OECD by Atkinson, Rainwater and Smeeding, and a subsequent review article by Gottschalk and Smeeding. It also adds recent material for Central and Eastern European nations based on the work of Torrey, Smeeding and Bailey as well as for Taiwan. The paper summarizes the differences in both levels and trends in income inequality across countries.

No. 134. Gender Wage Differentials: New Cross-Country Evidence, by T. Callan and S. Adams, October 1995.

"This paper compares the most commonly quoted female-to-male wage ratios (based on hourly earnings in manufacturing) and ratios based on a harmonized analysis of household surveys. The surveys include employees of all types in all sectors--thereby overcoming the problems associated with a lack of comprehensive coverage and differences in definition. Countries studies include Sweden, Australia, Denmark, Germany, the United Kingdom, and Ireland. The article then adjusts wage ratios for differences in educational qualifications and labor market experience, using a human capital specification of the wage equation. The authors conclude that the extent of the wage gaps between countries may be overstated by the figures based on workers in manufacturing: figures based on harmonized analysis of household surveys find some degree of convergence around a higher central tendency. Wage ratios adjusted to educational qualifications and years worked converge even more around a higher mean".

No. 133. Income Distribution in Europe and the United States, by A.B. Atkinson, October 1995.

"This paper assembles and reviews empirical evidence about the personal distribution of income in Europe and makes a comparison with the United States. From his analysis, the author concludes, among other things, that: the United States has higher income inequality than Europe; within Western Europe, the Scandinavian countries, Benelux and West Germany have less inequality, Southern Europe and Ireland have higher inequality, and France, the United Kingdom, and Italy, occupy an intermediate position; differences in the distribution of income outweigh differences in average incomes: the poorest families in the United States fare less well than those in a number of European countries; and, the "Europe-wide" distribution, viewing the European Union as an entity, is less unequal than that in the United States".

No. 131. The Economic Well-Being of Never- and Ever-Married Single Mother Families: A Cross National Comparison, by Ann Nichols-Casebolt and Judy Krysik, September 1995.

This study addresses the effect of marital status on economic well-being by comparing the economic situation of never- and ever-married single mother families in the United States, Australia, Canada, and France. The paper presents cross-national, descriptive and analytic data on poverty levels, sources of income, and basic demographic characteristics. The findings are discussed within the context of identifying factors that may suggest policy

strategies for addressing the economic risks faced by never-married single mother families.

No. 127. Doing Poorly: The Real Income of American Children in a Comparative Perspective. Lee Rainwater and Timothy M. Smeeding, August 1995.

"This paper investigates the real living standards and poverty status of United States children in the 1990's compared to the children in 17 other nations, including Europe, Scandinavia, Canada and Australia. We find that American low-income children have lower real spendable income than do comparable children in almost every other nation studied. In contrast, high income United States children are far better off than are their counterparts in other nations. We also find persistently high child poverty rates in the United States compared with other nations. Demographic factors and the effectiveness of tax and transfer policies in reducing child poverty are also explored. The paper concludes with a discussion of results and their policy implications".

No. 126. Cross National Comparisons of Levels and Trends in Inequality. Peter Gottschalk and Timothy M. Smeeding, July 1995.

"This article builds on other reviews of changes in earnings inequality in the U.S. in two important directions. First, the review is expanded to include other major industrialized countries, and second, the focus is broadened from earnings to household income. The general finding is that the U.S. experience of increases in the dispersion of both individual earnings and total household income is not unique, but only the U.K. experienced as large or larger increases in inequality during the 1980's. While most countries experienced at least modest increases in earning and market income inequality, these were largely offset by changes in other sources of income, producing a more modest increase in the inequality of disposable income and even lesser changes in poverty in most nations".

No. 124. Lorenz and Stochastic Dominance Comparisons of European Income Distribution. John Bishop, John Formby, and Ryoichi Sakano, January 1995.

"The goal of this paper is threefold. First, to make stochastic dominance comparisons as well as Lorenz orderings for five European countries. Second, to analyze the changes in distributions across time, and third, to explore whether there is evidence of convergence or divergence in European income distributions. They find that Lorenz curves became significantly more unequal in Sweden and the U.K., did not change significantly in Germany and France, and became more equal in the Netherlands. Their main conclusion is that as of the mid 1980's, European economic integration had not resulted in a convergence of standards of living as measured by rank and generalized Lorenz dominance".

No. 123. Immigrants and the Distribution of Income: National and International Comparisons. Peter Saunders, 1994.

This paper explores the income distribution position of immigrants and nonimmigrants using three different approaches. The results indicate that there is virtually no difference between the distributional profiles of immigrant and nonimmigrant families in Australia. However, when a similar analysis is performed cross-nationally, it is found that immigrants in Australia and Canada perform considerably better, in terms of distributional outcomes, than in either Germany or the United States.

No. 121. Income Distribution in European Countries. Anthony Atkinson, Lee Rainwater, and Timothy Smeeding, December 1994.

This paper summarizes the recent literature on income distribution in European nations drawing on some of the material used in the OECD project report (see above) and additional new material.

- No. 120. Income Distribution in Advanced Economies: The Evidence from the Luxembourg Income Study (LIS). Anthony Atkinson, Lee Rainwater, and Timothy Smeeding, December 1994.

This paper summarizes the highlights and implications of the forthcoming OECD project report entitled "Income Distribution in OECD Countries: The Evidence from the Luxembourg Income Study."

- No. 117. Relative Inequality and Poverty in Germany and the United States Using Alternative Equivalence Scales. Richard Burkhauser, Timothy Smeeding, and Joachim Merz, November 1994.

"German and US LIS data are used to compare the relative economic well-being of Germans and Americans in the 1980s. Both official and consumption-based country specific equivalence scales are used".

- No. 112. The Gender Poverty Gap: What Can We Learn From Other Countries?

Lynne M. Casper, Sara S. McLanahan, and Irwin Garfinkel, June 1994.

Examines gender differences in poverty in eight industrialized countries: US, Canada, Australia, UK, Germany, Sweden, Italy and the Netherlands. Results suggest that gender differences in human capital factors and family factors, as well as religion, culture, and policy, all play a role in accounting for gender poverty gaps within and across countries.

- No. 106. An International Comparison of Married Women's Labor Supply. Christin Knudsen and H. Elizabeth Peters, January 1994.

"This paper compares the labor supply of married women with young children in the US, Canada, Germany, and Australia. The study is based on uniform estimation techniques and composition of samples. Also evaluated is the importance of the degree of selection bias for the countries in question".

- No. 100. Comparing Poverty in 13 OECD Countries Traditional and Synthetic Approaches. Michael F. Forster, July 1993.

"A comprehensive look not only into the poverty rankings but the methodology used to gain them. Special attention and is paid to the unit of economic analysis, choice of equivalence scale, and selection of approach to define and measure poverty. The role of the state in alleviating poverty is also investigated".

- No. 96. Women and Poverty in Industrialized Countries. Robert Wright, March 1993.

"Examines empirically the relationship between gender and poverty in eleven industrialized countries that form LIS. Surprising results are found when the poverty experience of all women is compared to that of all men".

- No. 72. How Fair is the Distribution of Private Pension Benefits? Pierre Pestieau, April 1992.

This paper examines the benefits of supplemental pension plans by comparing the costs and benefits, in terms of equity, of public retirement plans and private plans in OECD member countries, particularly focusing on the income distribution of the elderly.

- No. 65. A Demographic Model of Poverty Among Families with Children: A Comparative

Analysis of Five Industrialized Countries Based on Microdata from the Luxembourg Income Study, by Janet Gornick and LaDonna Pavetti, December 1990.

"This paper uses the LIS database to compare the probability of being poor for female-headed households and two-parent households in the United States, West Germany, Canada, Israel and Australia. This paper also uses demographics to try and explain the differences in poverty in and across each of the five countries".

No. 60. Single Mothers, Low Income and Women's Economic Risks. The Cases of Sweden, West Germany and the United States, by Annemette Sorenson, July 1990.  
The economic position of single mother households in West Germany, Sweden, and the U.S. is examined.

No. 59. An Alternative Attempt to Measure Poverty by Analyzing Relative Income Based Poverty Lines in the Federal Republic of Germany, by Bernhard Beerlage, September 1990 (in German).

No. 56. Comparing Income Transfer Systems: Is Australia the Poor Relation?, by Deborah Mitchell, August 1990.  
The outcome from Australia's transfer system are examined to determine if its image as a welfare "laggard" is justified. This paper also compares the general level of economic well-being of families in ten OECD countries from the perspectives of poverty and income inequality.

No. 53. Working But Still Dependent. The Hourly Wage of Working Wives and That of Their Husbands in Australia, Canada, Hungary, The Netherlands, Czechoslovakia, The Federal Republic of Germany Around 1980, by Henk-Jan Dirven, June 1990.  
"This paper examines (1) the associations between the hourly wages of two-earners, (2) the association between their educational levels, (3) the extent to which the former association can be explained from the latter together with the effect of education on hourly wage for each spouse separately, and (4) whether the hourly wage of the spouse is influenced by the education level of the other spouse".

No. 50. Minimum Standards in Old Age Security and the Problem of Poverty in Old Age, by Juergen Kohl, June 1990.  
This paper addresses four problems: (1) How do provisions for minimum standards for old age security in Western European countries compare; (2) what is the correct standard for evaluation of these provisions; (3) given the standard or standards, how do the various standards measure up; and (4) what are the implications for (a) the policies of individual nations and (b) for the European Community.

No. 48. An International Comparison of Married Women's Labour Force Participation: A Cross-Country Analysis for Employees in Seven Countries, by Klaus Wolff, March 1990.  
Married women's paid market work participation in seven western industrialized countries is described and analyzed.

No. 46. Changing Inequality Structures in Europe: The Challenge to Social Science, by Lee Rainwater, March 1990.  
In order to understand inequality in rapidly changing Europe, innovations in data collection and research methods will be essential. Related issues are illustrated through discussion of several different aspects of inequality using the LIS database.



No. 36. The Redistributive Effects of the Tax System in West Germany, Sweden, and the United States: A Comparative Tax Incidence Study, by Christoph Rosenberg, September 1989.

This paper contains a comparative international tax incidence study, investigating taxation and its effects on income redistribution in West Germany, Sweden, and the United States.

No. 35. Not Working: A Preliminary Look at Households with no Earners in the U.S., Canada, Germany and Sweden, by McFate and Fischer, August 1989.

No. 15. Selected Nonmonetary Types of Income in the Federal Republic of Germany: Macro Economic and Distributional Effects, by Richard Hauser, Irene Becker and Susanne Standecke-Scheid, August 1987.

No. 13. Improving the LIS Income Measure: Microdata Estimates of the Size Distribution of Cash and Noncash Income in Eight Countries, by Brigitte Buhmann, Aldi Hagenaars, Richard Hauser, Peter Hedstrom, Flip de Kam, Michael O'Higgins, Peter Saunders, Gunther Schmaus, Timothy M. Smeeding and Michael Wolfson, August 1987.

No. 7. LIS Information Guide (Revised February 1998).